

LONDON, MONDAY, JULY 6, 1981

EEC Head Urges U.S. to Be More Sensitive **To Economic, Political Problems of Allies**

In contrast, Mr. Thorn said,

matically by the free market. ...

Americans must understand

that, whatever they do in the United States, it will be never be

possible in Europe for politi-cians to dissociate defense from

economic security. It's not just a

bargaining point, it's fundamen-tal for Washington to under-

stand that Europe cannot sepa-rate defense, political and eco-

Ravages of Interest Rates

For example, the key topics on the Ottawa agenda - North-

South dialogue, East-West trade,

Japan's trade role and coopera-

West German Anti-Americanism: The Gulf May Be Deep

nomic issues

- assuming that econom-

**

By Joseph Fitchett

No. 30,599

that Espinate

ints on Land

 \sim_{2}

1 La 1

-Gita America.

6,2.85

CARS

3.5 . 545

د ² م نوب ا س

.

3-⁴²⁻⁵

Ser St

بححوا

4

International Herald Tribune BRUSSELS — The president of the European Commission, Gaston Thorn, has warned that U.S. insensitivity to Enropean economic and political dilemmas threatens to undermine the Reagan administration's at-tempts to reinforce Western security.

"There is no tension yet in European relations with the United States [because] the Reagan administration is enjoying a kind of political honeymoon with European opinion," he said in an interview. "But there is anxiety. People are anxiously asking: When do you think the Reagan administration will start adapting its policies to help us? By Christmas? By next Easter?"

Mr. Thorn, who is to meet President Reagan next week, said that European leaders need signals that Washington eventually will help relieve European economics from the unfavorable effect of such new U.S. policies as high interest rates, reduced development aid and restrictions on trade with the Soviet Union,

His appeal for greater U.S. understanding, he said, reflected many European leaders' thoughts at a Common Market summit last week, which discussed the Ottawa summit of in-

By John Vinocur

New York Times Service

The advertisers insisted in the same first paragraph that their enterprise was German,

and figured out how to use the word four

interests, German management, German

workers and German suppliers. The name of

Apparently the West German franchise-

time to look a little less American. After all,

had not Vorwarts, the official newspaper of

in holders seemed to be saying it was a good

State sociated McDonald's in West Germany with

in times again in the next two lines: German

Max the chain doing the advertising is however

dustrial nations set for July 20 self if he can still trust U.S. seand 21. While striving to follow the Reagan administration and avoid the transatlantic bickering curity guarantees, economic soli-darity is the main test of credibility_' that marked the Carter adminis-tration, European leaders now "There is an American way of saying, Now let's talk about deface domestic criticism because of perceived U.S. indifference to fense ic questions will be solved auto-

Europe's problems. "The climate of Ottawa will be important. No one expects miracles or big decisions, but we want a sign that the Reagan ad-ministration is starting to accept our grievances as legitimate and is ready to take our problems ioto account as soon as it can," Mr. Thorn said.

Large segments of European opinion, already divided over the more confrontational U.S. approach to the Soviet Union, is upset by the Reagan administration's unwillingness to compro-mise the ideology of its own domestic recovery program by talk-ing about international econommeasures that could revive

European trade. U.S. officials, in urging an ex-panded European military efmensions for Europe. But the' United States, a continent-sized fort, may have underestimated the linkage in European politics between economic stability and market with its own resource base, tends to treat these questions as ideological issues. the military and political components of national security.

"Exaggerating a little, you can argue that the United States, one, won't belp us revive Third Slowing his usual machinegun delivery to emphasize each World markets for our exports; word, Mr. Thorn said: "Believe two, doesn't want to help force me, when a European asks himopen the Japanese market for

European products; three, scolds us for traing with the Soviet bloc while selling there them-selves — grain, for instance," Mr. Thorn said.

In addition, high U.S. interest rates --- the Reagan administration's preferred way of purging inflation from the domestic economy — has drained investment capital from Europe and driven up dollar rates, thus increasing the fuel and debt-service bills of developing countries that are major markets for European exports. As a result, European industries have been unable to expand. Amid the worst postwar eco-

nomic crisis, he continued, "the United States generally seems to be saying, 'Wait until Uncle Sam is better, then we can look after your [European] sickness — if you're still around to take the medicine.' 1 think our patience - some would call it weakness - is proof of our profound friendship for the United States. This capital of U.S.-European friendship hasn't been eroded yet, but we need to find a basis

now for the period ahead." Mr. Thoro, who is advocate of close transatlantic ties, warned that opponents of the Atlantic alliance are exploiting the European perception that the United States is indifferent to Europe's fate.



Against a European background of falling incomes and unemployment rising to socially traumatic levels, he said, "Voices in our wide political spectrum are saying more and more loud-'You're unemployed because of the Americans: you have no job because the United States is strengthening its economy so it can be richer and stronger - at your expense." He warned about rising politi-

cal instability: "Our people are uncertain, and for that reason, they are starting to vote 'against' - against the government, what-ever it is, to seek change." Without mentioning countries by name. Mr. Thorn said the risk was growing that economic motives would plunge some European countries toward political extremes.

From Agency Dispatches MOSCOW — Soviet Foreign sovereignty of the Polish state and from the security and inviolability Minister Andrei A. Gromyko reof its borders," the communique turned Sunday from talks in Warsaid. "These questions not only affect Poland but are vitally important to the entire Socialist commutain their alliance with the Soviet nity

the unbreakable alliance, fraternal friendship and cooperation fully meet the vital interests of the Soviet and Polish peoples." said the statement issued at the end of Mr. Gromyko's weekend visit.

Tass, said both countries would continue to extend bilateral relauons in line with the Soviet-Polish treaty of friendship and cooperalion

Mr. Gromyko's three-day visit for talks with Polish Communist Party leader Stanislaw Kania apparently focused on strategy for the special Communist Party congress scheduled to begin July 14 to discuss major reforms in the Polisb system, nounced the same day, and was

cow's assertions that "certain Western circles" were intensifying a campaign "to exploit events" and discredit Poland's Socialist system prior to the congress. It said these Western forces hoped that developments in Poland would "lead to a change in the balance of forces in Europe" and the world and weaken the "Socialist community,

The Polish People's Republic resolutely rejects such bopes," the statement said, "Poland was, is and will continue to be a firm link of the Socialist community."

The same wording was used in a communique after a Warsaw Pact summit meeting last Dec. 5 in Moscow that focused on the effects of Polish unrest on the Soviet

Mr. Gromyko met with Mr. Ka-nia, Premier Wojciech Jaruzelski and Foreign Minister Jozef Czyrek Hard-Liners for talks "in a businesslike comradely atmosphere" covering "a Assail D_1.1. broad range of questions of mitual Party Again of seeking to "revise postwar realities in Europe" and attempting to secure military superiority over the Soviet Bloc.

denounce these plans firm their determination to "maintain their defense capability at a proper level, and will take legitimate care about their security," the statement said.

Established 1887

Alliance 'Unbreakable,' **Poland Tells Gromyko**

Ceremonial Acts

saw with a new pledge from Po-land's Communist leaders to main-Union, Tass said.

The sides have confirmed that concern that the Polish congress, which will legitimize reforms intro-duced since last summer's worker unrest, could lead to radical changes in the Communist system. However, Mr. Gromyko's visit is being interpreted by Western dip-lomats as indicating Moscow's ac-

The statement, distributed by ceptance, however grudging, that the congress will take place.

Diplomats noted that the visit was announced several days in ad-vance, and included the usual ceremonial acts such as laying wreaths at memorials, emphasizing that it was routine. In contrast, a visit bere last April by Mikhail Suslov, the leading Soviet ideologist, was an-

The statement repeated Mos-

From Agency Dispatches MOSCOW — British Foreign Secretary Lord Carrington arrived here Sunday night to present to the Kremlin a European Economic Community initiative on Afghanistan - already written off by the official Soviet press.

Lord Carrington's visit. The initia-tive, worked out by the British and

The Soviet Union and Poland Germany has published a state-

limited to talks. A communique af ter that visit made references to deviations from the principles of sci-entific Socialism and attempts to spread anarchy in Poland. Those statements were not repeated in Sunday's communiqué. The Soviet Union has expressed

The congress is expected to re-turn a moderate reformist leadership to power, to codify democratic changes in the party's statutes and to enunciate as official policy an attitude of cautious approval for the country's democratic "renewal."

A letter from the Soviet Central Committee to the Polish Central Committee a month ago expressed, among other things, concern over "the possibility that an attempt might be made at the congress to bring about a decisive defeat of the Marxist-Leninist forces of the party and to lead to its liquidation.

The letter, however, was written before the process of selecting del-egates to the congress was completed - in fact, influencing that process could have been an intent in sending it.

Afghan Peace Plan Carried to Kremlin

endorsed by the EEC, will be the first major Western diplomatic effort in more than a year to bring about a withdrawal of Soviet forces.

Lord Carrington, in a visit scheduled for only 24 bours, will outline to Andrei A. Gromyko, his counterpart in the Soviet Union, a plan calling for a two-stage conference on Afghanistan to take place later this year. The stages:

• Five permanent members of the United Nations Security Coun-India, Iran and Pakistan - would meet to work out safeguards for Afghanistan's security as any rep-

cuss the country's future. Soviet media has been especially clear on disapproval of the exclusion of the Moscow-backed Babrak Karmal government. Tass said the heart of the plan is for Western governments and China

Tass declared Saturday that the

plan could not serve as a basis for

discussion, with no mention of

By Ellen Lentz

neutralism, anti-Americanism; the explana-tions often collide. But something seems to be there. .BONN --- It was a full-page national mag-

The last few weeks in West Germany azine ad costing \$11,898 and it said, right in the first paragraph: "Almost nothing that is present an instructive mosaic. · A Protestant conference takes place in sold or used in our restaurants comes from

Hamburg with perhaps 100.000 young participants and they hold a peace march in which the United States is portrayed as the force behind the world's tensions and a new arms race.

• Stern magazine, the country's largest general-interest publication, runs a cover picture of a U.S. nuclear missile niercing the tear of a our of Deater.

• The youth wing of the Social Demo-cratic Party criticizes the national leadership for allowing the party's Americanization.

The Suddeutsche Zeitung, a leading liberal newspaper, says that anti-Americanism has become an abominable fashion, transported by arrogance and self-justification, and by the vehicle of European lears and so-called peace movement in ever wider circles.

rates, stopped spending so much money on arms, left bberation movements alone, and began talking kindly about Leonid I. Brezhnev

But there is another analysis, and it suggests a deeper estrangement. This thesis contends that the anti-Ameri-

canism (or neutralism or pacifism) is actual-ly a reversion to the anti-Western and antimodernistic currents traditional in German society. The fear of atomic energy, which is stitched into the current mood, and West German youth's lack of interest in technolo-Erasses technical schools bear aufiliali their

Max Weber, the German political sociologist, distrusted Anglo-Saxon materialism, and the notion that Germany is a special entity between East and West has been more of a constant in German political thought of the past century and a half than any special admiration for or relationship with the United States.

more troubling term "Germany" -- must protect itself culturally against U.S. civilization and must Europeanize the Soviet Union so that it can be spared Americanization, By this reasoning, the Soviet population is still pure, that is, not corrupted by consumerism.

The Americans, of course, are not pure. Many West Germans from the country's establishment consider this drivel and they like to point to public opinion polls that, depending on the phrasing of question, show support for the United States. But the attitude of the intellectuals clearly has won a wider audience.

percent of the Social Democratic Party's membership wanted a foreign policy course between the United States and the Soviet Union. This attitude may also have some-thing to do with the West German government's unwillingness over the last decade of detente to judge Soviet behavior harshly. A picture was created of the Russians as diffi-

alliance

'Plans' Denounced

primitive American nourishment, recreating U.S. begemony and gastronomic conserva----- tism?

in a country of sometimes grinding car-nestness, all this would be just funny — and for some Americans, an example of good German sense — if it did not fit into a peri-od of considerable talk about the attitudes of West Germans, and to a lesser extent e other Northern Europeans, toward the United States. The code words blur: pacifism,

By John Kilner New York Times Service

porters in Tehran. Page 2.

day is the first word of Mr. Bani-

Sadr since he dropped out of sight June 12, shortly after be was stripped of his title as commander-

in-chief of the armed forces by the

revolutionary leader, Ayatollah Ruhollah Khomeini. The inter-

view, the English-language maga-zine said, was conducted four days

later in Kurdistan, the rugged mountainous area of northwestern

It is not known where Mr. Bani-

His escape was aided by the

the Middle East.

Iran

Sadr is at present.

Bani-Sadr Reported

Talking Kindly

Some West Germans who acknowledge that there is a problem, but who prefer not to consider it a deep one, say all this would wash away if only Ronald Reagan appeared more sympathetic to the Third World, got angry at South Africa, lowered interest eupbemistically by the left, instead of the

It may actually be a particularly West German kind of materialism that many German intellectuals find repulsive, but it seems somehow easier for them, since the Vietnam War, to thrust the responsibility back onto

By William Claiborne

Washington Post Service JERUSALEM - Tabulation of

Israel's military vote pushed Prime Minister Menachem Begin's Likud

bloc one seat ahead of the opposi-

tion Labor Party Sunday, enhanc-ing his chances of forming a coali-

Apparently final but still unoffi-

cial returns gave the Likud 48 seats

in the 120-member Knesset while

Labor, headed by Shimon Peres,

has 47. The National Religious Party won six and the ultra-Ortho-

dox Agudat Israel Party won four.

By coupling the Likud and relig-ious party seats with three won by

the Tami Party, a splinter faction of the National Religious Party headed by Religious Affairs Minis-ter Aharon Abuhatzeira, Mr. Be-

gin would have a thin majority

with 61 seats. If the Likud won

passive support of the three Knes-

set members of the rightist Tehiya

Party and the two members of Moshe Dayan's Telem Party, it

would have a comfortable majority

Theoretically Mr. Peres could

form a coalition by making enough

concessions to win over Agudat Is-rael and Mr. Abuhatzeira's party

and couple it with the three votes

of the left-of-center Shinui and

Citizen Rights Movement, Labor

with 66 seats.

the United States. Among the serious political theorists read by university students, Peter Bender believes that Europe - the word is often employed

tion.

cull but basically reasonable Americans were seen as living with the injustice, decomposition and confusion of Vietoam, Watergate and the Carter presidency.

The problem has become considerably more concrete in the past year, with critics of the United States finding two occasions when they saw U.S. policy as an attempt to

(Continued on Page 2, Col. 4)

Military Vote Puts Likud Ahead,

Aiding Begin's Bid for Coalition

ahead in the vote tabulation large-

ly on the basis of ballois cast by

members of Israel's military. At

the end of the counting of civilian

vote, Likud and Labor were dead-

Distribution of leftover votes gave Mr. Dayan's party and Teby-ia an additional seat. After the

seats have been distributed, sur-

plus votes are apportioned out on

the basis of initial strength. Elec-

tion officials said it is possible that

when the official tabulations are

announced on Friday, the Citizens

Rights Movement will pick up an

additional seat at the expense of

locked at 48.

the Likud.

"The defense of the gains of So-cialism in the Polisb People's Republic is inseparable from the questions of independence and

One obstacle confronting Mr.

Begin is to patch up differences be-

tween Mr. Abuhatzeira and the

charges stemming from a kickback

scandal in his ministry. Mr. Abuhatzeira still faces charges of

Zevulun Hammer, minister of

strongest religious party faction, said Sunday that his party will

continue to push for a government

of national unity and a new elec-

tion in a year.

ment by the hard-line Katowice Forum that attacks the party leadership in Poland and the manner in which delegates to the congress were chosen. The statement called for nonre-

cognition of delegates who were not elected according to party statutes. The declaration, published Saturday by the East German news service ADN, was adopted Thursday in the presence of nearly 300 party members from around Poland, the report said.

"We are in full support of moves to recognize only such delegates for the congress who were chosen in accordance with the stantes and the principles of the party," the hard-liners said. There were cases "where delegates were elected whose activities are aimed at National Religious Party, which Mr. Abuhatzeira left during the spring after he was acquitted of undermining the ideological and political basis for a Communist Party," they added.

Without mentioning the names of party leader Stanislaw Kania or other dignitaries, the declaration bribery stemming from the time he was mayor of the town of Ramle. blamed "some representatives of the party leadership" for a lack of self-criticism. The Katowice Foeducation and a leader of the rum charged last month that the party leadership was losing control of events in Poland. The new Katowice statement

said the party was in danger of losing its base, the working class, in a development "that can result in the liquidation of its Marxist-Leninist character and in its destruction

The bard-liners said that after the congress "the party purge must

continue in a quiet atmosphere." In particular, the statement called for "examinations" into the activities of journalists. It warned that some in the media were spreading "revisionist tendencies" and were "undercutting Socialism," while the party's own press "practices a line of ignoring the dangers."

many described the situation in Poland as extremely serious Sunday and said steps had to be taken internally to thwart moves that endangered peace in Poland and Eu-

A report from Warsaw by ADN, usually the voice of East Berlin on political matters, said discussions prior to the Polish party congress concluded that events in Poland could not be seen in isolation but in the context of their international effects.

It said newspaper commentaries and conversations among Polish politicians showed agreement that not only must counterrevolutionary elements be blocked, but "the imperialist powers must be given no opportunity to succeed in interfering in Poland's internal af-

Bonn reacts warily to Willy Brandt's claim that the Kremlin changed its stance on missile negotiations. Page 2.

to discuss the Afghan issue without representatives of the current Communist regime in Kabul.

Tass then repeated the standard Kremlin formula for resolving the issue, which calls for negotiations between the Karmal government, Iran and Pakistan, followed by Soviet and American guarantees of an end to foreign intervention — in Soviet terms, an end to opposition to the Karmal regime. The Soviet proposals, first made in May. 1980, were revived again last week in talks with Willy Brandt, the former West German chancellor.

While Soviet rejection of the EEC plan had been expected. Western diplomats see its value in introducing a formula that might eventually provide the Russians with the basis for a face-saving disentanglement. It is generally believed among Westero diplomats in Moscow that the Kremlin has become frustrated and concerned about a war that, after 18 expensive months, seems no closer to achieving Soviet goals.

Militarily the war has forced the Russians to commit an esumated 85,000 troops and substantial resources. Politically Afghanistan has proved to be a lingering liabili-ty in Soviet relations with the world, particularly with Moslem governments. At a time of tension over Poland, Iran, the Mideast and East-West relations, Kremlin lead-

ers may be questioning the value

of a costly and unpopular struggle.

Props for Karmal

believe that Mr. Karmal would be overthrown immediately if Soviet

troops pulled out. Therefore they

Senior Western diplomats here

believe that Soviet leaders may eventually find merit in a political Measures Urged solution that enables them to withdraw their troops while receiving BERLIN (Reuters) - East Gerguarantees for Afghanistan's fron-

tiers and nonalignment. The Reagan administration bas advised Moscow that it regards responses to international initiatives on Afghanistan and Cambodia as an important test of future East-

West relations. While Lord Carrington's Afghan initiative may not make much headway, the foreign secretary will be seeing Mr. Gromyko shortly. after the Soviet foreign minister's return from a potentially significant visit to Poland.

The Soviet press has been silent on Mr. Gromyko's pur sose in the brief visit to Warsaw, which comes less than two weeks before the start of the crucial Polish Communist Party congress at which un-

precedented reforms and freedoms are expected to be ratified.

Among Rebel Kurds triumpb for Ayatollah Mohammed Beheshti, leader of the Islamic Republican Party and its political mastermind during the bitter BEIRUT - Abolhassan Bani-Sadr the deposed and fugitive struggle between the religious leadpresident of Iran, has been sheltered by rebel Kurdish tribesmen, according to an toterview published in Eight Days, a Lon-don-based magazine specializing in overthrown.

in the party's headquarters near the Tehran bazaar, killing Ayatol-The interview published Satur- Islamic Revolutionary Guards reportedly kill guerrilla supmeeting.

The remaining leaders immediately ordered another crackdown on opponents of the regime, rounding up, among others, 50 members of the Mujahatidin, who they said were responsible for the

hombing. din, who attempted to synthesize Islamic religious traditions with modern Socialist thought, have been severely attacked by Ayatol-lah Khomeini and the clerics. Before the revolution, they had been underground opponents of the shah, suffering a considerable amount of torture and death at the hands of his secret police, SA-

Kurdish Democratic Party, which has been bartling the central gov-erament he beaded for more than VAK a year. and was organized by Mas-soud Rajavi, the leader of the Mujahaddin (People's Crusaders), an Islamic Marxist guerrilla group,

the magazine said. "They have betrayed me. They have stabbed me in the back just Sadr kept repeating, Eight Days said.

After he was stripped of his military post, his last vestige of power, Mr. Bani-Sadr's Moslem fundamentalist enemies voted in parliament to depose him as president, with the approval of Ayatollah Khomeini, and issued a warrant for his arrest.

Small bands of his supporters attempted to mount demonstrations, but they were swamped in brief street fighting by followers of the Party of God.

it appeared to be a moment of ping

ers and the liberals that began almost as soon as the late shah was But on June 28 a bomb went off

lah Beheshti and 71 other party members and government officials attending their regular weekly

The mostly youthful Mujahad-

The Muiahaddin have been supporting Mr. Bani-Sadr, and Eight Days said that several members of the group were accompanying him as bodyguards. Mr. Bani-Sadr said that his

problems deepened when he began French Navy Sinks **Abandoned Tanker**

TOULON, France - The French Navy Sunday sank a Greek tanker that had been drifting in the Mediterranean for three months with a cargo of highly volatile naphtha on board, a military

spokesman said. The 12,780-ton Kavo Kambanos ry way and at all times." was abandoned by its crew on April 4 off the Spanish coast after a fire on board. French authorities decided to sink the vessel because it bad become a danger to ship-



Abolhassan Bani-Sadr spending his time at the war front, thus losing the most important po-

litical commodity in Iran, regular contact with Ayatollah Khomeini. "Imam has no direct contact with the real life of the country," Mr. Bani-Sadr was quoted as say-ing. "Others inform him about the course of things. That's wby his verdicts and judgments often do not conform with the reality of the moment

"The situation began to deteriorate with the beginning of the war and my transfer to the conflict area. Others informed Khomeini that I was far from Tehran, and my meetings with him were re-

Mr. Bani-Sadr said that Ayatollah Behesbti and his supporters "started to plot a black and reactionary coup to impose a way of governing society completely dif-ferent from my own approach. "But even though I knew their

plans, i preferred to give priority to the light against the external en-erry," the magazine quoted the former president as saying. Mr. Bani-Sadr, the magazine said, called on Iranians "to resist in eve-

"I am confident that those capable of opposing the Pahlavi diciatorship are also capable of fighting those now using illegal methods to obtain power in Iran," he told the magazine.

¹2

for Peace and four Communist members. This is considered unlikely. **Begin Has First Try** Mr. Begin told a meeting of his Cabinet on Sunday morning that

there is no longer any doubt that President Yitzhak Navon would give him the first coalition opportunity. A spokesman said the prime minister expects to form a government within 10 days.

The president is required after consultation to ask one party to attempt to form a government, traditionally the party with the most seats. It is given 21 days. Mr. Begin's Likud bloc moved speculation that be may not outlast the next Cabinet reshuffling. Page 5. **Puerto Rico** Puerto Rico, where economic

development and poverty coexist, is the subject of a sup-

plement in today's Trib. Pages 7S-10S.

In Japanese diplomacy, the normal technique for dealing with trouble is to obfuscate.

would also have to win the passive support of the Democratic Front

INSIDE Argentina

The military government of Argentine President Roberto Eduardo Viola, bammered by a worsening economy and in-ternal division, is being further strained by ebbing public support. Page 3.

Sonoda's Style

This is not the style adopted by Sunao Sonoda, the new for-eign minister. For the past

month, he has been issuing anti-American statements that have got him in trouble with many politicians, and there is

John McEnroe displays the

· • . · · • • • • · ·



winner's trophy after captur-ing the men's singles title at Wimbledon by defeating Bjorn Borg, 4-6, 7-6, 7-6, 6-4, on Saturday. See Page 17.

Britain, IRA Inmates Race Riots **Break Out Intensify Efforts to** In England **End Hunger Strikes** LONDON - Asian youths

By Leonard Downie Jr.

Washington Post Service LONDON - Both the British government and imprisoned Irish nationalist hunger strikers in Brilish-ruled Northern Ireland appear ready to give ground in their impasse over prison rules in an effort to head off further starvation deaths among inmates.

A Roman Catholic Church group in the Irish Republic, the Irish Commission for Justice and Peace, met Saturday with British officials and the hunger strikers amid signs that both sides had modified their positions in response to the commission's intervention.

The commission is composed of a group of clergy and lay people affiliated with the Irish Catholic Bishops' Conference.

[Commission members returned to Northern Ireland's Maze prison on Sunday in a further attempt to negotiate an end to the death fast by eight nationalists, The Associated Press reported.]

Time Is Short

Time is running short, however. After an interval of six weeks since the deaths of the first four bunger strikers, Joe McDonnell, 30, a member of the outlawed Provisional Irish Republican Army serving a 14-year sentence for illegal posses-sion of arms, lies near death after refusing food for 57 days.

He is reported to be baving extreme difficulty hearing or seeing. He was given the last rites of the Catholic church on Thursday.

Seven other bunger strikers are expected to die at one or two week intervals over the next two months if the protest does not end.

British officials said the govern-ment is willing to make further modifications in prison conditions in Northern Ireland if the bunger strike is ended. The officials suggested the European Human Rights Commission as an arbitrator of prisoners' complaints.

Room for Maneuver

A statement purportedly smug-gled out of the Maze prison from leaders of the Irish nationalist prisoners was markedly more conciliatory than earlier statements. It said that there is no need for either side to lose a point of principle and that there still is plenty of room for

["We believe that the granting of changes for the five demands to all prisoners ern Ireland.

TEHRAN - Islamic Revolu-

tionary Guards clashed with sup-

porters of a leftist Moslem guerril-

la group hiding in a central Tehran

apartment Sunday. Three persons

3 Guerrilla Supporters

police.

would not in any way mean that the administration would be forfeiting control of the prison. Nor would their say on prison ac-tivities be greatly diminished but the prisoner could bave his dignity restored and cease to occupy the role of establishment zombie," United Press International quoted the statement as saying.]

Until recently, there had been little sign of movement away from the long-standing deadlock be-tween the demands by convicted IRA guerrillas in Northern Ireland for changes in prison conditions, including their insistence that they be treated as political prisoners. and the refusal by the British gov ernment to grant them that status

or give up any of its control of the DITISOII. British Sources

British sources said that Michael Allison, a government minister re-sponsible for Northern Ireland, told members of the Irish church commission on Saturday that the government still would not negotiate with the prisoners and must remain in control of the prison re-

But the sources also emphasized the government's willingness to make some changes, particularly if suggested by the European Human Rights Commission, if the prisoners end their hunger strike. Some of the hunger strikers and

their relatives also have been reported to be more receptive to compromise now, although suspicious of promises.

leaders of other coavicted nationalists inside the prison and their supporters outside, who have remained publicly bostile to a set-

ween commission members and

lison. opers' dropped language in previous criminal prisoners, Instead, the statement said they were seeking

British officials headed by Mr. Alleaders reiterated the pris-

pelted buses with bricks. smashed windows and clashed with police during the weekend in the west London district of Southall where 24 bours earlier bloody riots broke out between immigrants and white extremist youths, officials said.

In Liverpool, in northwest England, 40 youths - most of them black - hurled gasoline hombs and stones at a cordon of 200 police early Sunday while firefighters doused hijacked cars set ablaze in nine hours of clashes, police said. They said 45 officers were injured but fewer than a dozen persons were arrested in Liverpool.

The weekend of violence signaled the return of racial clashes to Southall, where local youths battled supporters of the ultrar-

ightist National Front in 1979. Police said Asian youths tried to set fire to a lumber yard in Southall late Saturday and broke dozens of windows in the area, where riots had broken out Friday night between the Asians and young white toughs linked to the National Front who call themselves "skinheads," because of their shaven beads.

No One Hurt Saturday There were no reports of injuries in Southall on Saturday.

Southall's member of Parliament, Sydney Bidwell, said that the violence Friday night, which left more than 100 persons injured and sent 14 policemen to

A bigger question is the attitude

prisoners' original demands. Efforts to reach a settlement, begun by suggestions for compro-mise by the Irisb church commission last month, intensified with a daylong meeting on Friday be-

The purported reply by the prisoners' original demands, but statements that also demanded treatment as political rather than

surance system. changes for all prisoners in North-

risked its political life to save the social security system from insol-vency. But a combination of factors - longer life expectancy. an oil-induced economic recession, a tradition of openhanded generosity and a court order mandating mercase me system a clust 16 west German taxpayers and again

threaten its long-term solvency. Despite assurances by Chancellor Helmut Schmidt in the 1976 election campaign that West Ger-The state media has reported 15 many's social security system was

executions throughout Iran in re- sound, the government was forced.



tavern in West London's Southall district, where rioting broke out between ultrarightist white youths and young Asian immigrants. A burned police car is in the foreground.

Of Saturday's violence, a pohospitals, appeared to be an orlice spokesman said, "As far as ganized attempt to incite racial I'm aware, there have been no reports of skinheads coming Mr. Bidwell, a member of the back here. ... We believe the opposition Labor Party, said be

trouble is being caused by local had always known that if the National Front or other racist residents. groups "descended" on Soutball, The disturbances in Liverpool with its high concentration of Indian, Pakistani and Banglaflared when a black man fell off his motorcycle Saturday night wbile being chased by a police car and a crowd of youths snaiched him away from the ofdeshi residents, "all hell would The disorders Friday began when two busloads of skinhead youths from other districts of London arrived at the Ham-

ficers, a police spokesman said. Police fought pitched battles through the night with youths who looted and set fire to an electrical appliance shop, set ablaze a derelict bouse, broke into a liquor store and stoned passing CUTS.

Rising Costs Threaten Future Solvency thement for anything less than the Of West German Social Security System

brough Arms har to hear a con-

were decked with National From slogans and the youths

were making Nazi salutes.

Witnesses said the buses

tension.

break loose."

CETL

By John Tagliabuc New York Times Service

BONN - Otto von Bismarck, the Iron Chancellor of 19th-century Germany, was hardly a Roosevelt New Dealer, But in 1861, in one of several moves to take the wind out of the sails of the Socialists, he gave the Prussians the world's first state-run old-age in-

Social security has spread since then, and it is causing headaches States, where the customary retireto governments in many nations, ment age is also 65, the wage earnincluding West Germany.

er's contribution to the Social Se-In 1977 the Bonn government curity system this year amounts to 6.65 percent, with the maximum taxable wage set at \$29,700. A matching sum is paid by the employer. Some projections put the rate of taxation by the end of the century at 17 percent.

.. But commarisons brst systeths are difficult, since their structures are different. Not all Americans receiving Social Security are retired: roughly a third are in such special categories as the disabled or survivors of deceased workers. The West German funds are ad-

Bonn's major long-term worry, however, is the nightmare of a di-Wage earners in West Germany. where the retirement age is generminishing birthrate coupled with a ally 65, contribute 9.5 percent of widening life expectancy - a shrinking work force supporting the pensions of a burgeoning num-

ber nf retired people. In 1978 the West German government appointed a study commission to suggest changes in so-cial security policy. The commis-sion came up with several ideas, chief among them a proposal that taxes should be collected on all

pensions - only civil servants' pensions are taxed today - and that the employers' share of payments be increased by using a gradualed system based on the size of company sales.

Crucial questions remain to be resolved, however, such as whether to continue to link pension pay-Bar. Schmidt say the solvency of the social security system is as-sured until 1985. But West Germany's fiscal situation - the balance

threatening to exceed last year's

level of more than \$16 billion -

has rekindled the discussion.

of payments deficit, for instance, is

reseace.

In the interview Saturday, Mr. a man who "trembles where world peace is concerned" and the Soviet

take it upon ourselves to think that

we're needed as intermediaries to

advance talks between the United

The morntorium suggestion

Although this was described as a

material difference" by Mr.

Wischnewski, it did not change the

tion. Mr. Wischnewski said the So-viet leader asked Mr. Brandt what

Bonn Is Cool to Brandt's Claim Of New Soviet Stance on Missiles

100 - 11 A . 01

By John Vinocur New York Times Service

BONN - Statements by Willy Brandt and other Social Demo-cratic Party leaders that the Soviet Union is taking a "materially different" position on possible nego-tiations with the United States on middle-range nuclear missiles are drawing wary and partially negative reactions from the West German government.

Mr. Brandt, the chairman of the Social Democratic Party, who met with Leonid I. Brezhnev at Moscow's invitation last week, said in an interview published Saturday that the talks produced "new accents" in Soviet policy.

He said they concerned a Sovietproposed moratorium on the de-MOSCOW - Soviet military reservists along the Polish border ployment of middle-range missiles and purported Soviet interest in a "zero solution" that would allow in the strategic trans-Carpathian NATO to forgo plans to deploy Pershing-2 and Cruise missiles in region have resumed intensive training for full mobilization at any time, according to reliable Western Europe at the end of 1983.

Hans-Jurgen Wischnewski, the of training began in late May and requires two days of military inparty's deputy chairman, said the trip had produced "important instruction and ideological indoctri-nation for all reservisis up to age 35 to prepare them to defend "the formation" that the "United States should be interested in very carefully checking." Socialist community" from an un-

Boon Sees Nothing New

But a contradictory and perhaps irritated attitude was apparent in the first reaction of the govern-ment of Chancellor Helmut Schmidt. Knrt Becker, the govern-ment spokesman, referred Friday to the moratorium suggestion, as relayed by Mr. Brandt, as a "repetition and reworking" of an earlier Soviet suggestion rejected by NATO and the government here.

they credit the reports on the basis Mr. Brandt's remarks seemed to of certain changes - which they refused to detail - in military confirm fears expressed privately by some U.S. experts that his trip would complicate Mr. Schmidt's defense of the NATO program and take attention away from the Sovi-et missiles targeted on Western Eureadiness in the region. But they said the reported preparations may be contingency moves that do not mean use of military force by the Kremlin to stem the tide of Polish rope. political reform is either imminent

Although Mr. Brandt returned Thursday from the Soviet Union and addressed a party meeting and gave a magazine interview, he had seen neither Mr. Schmidt nor Foreign Minister Hans-Dietrich Genscher by Saturday. Aides said he spoke twice to Mr. Schmidt on the telephone.

that it is their full responsibility to see that a mobilization takes place There has been controversy within the Social Democratic Party without hitches, Last August, the about the NATO decision to stasources said, a sudden order to call tion the middle-range weapons here. Members of the Christian the reserves to duty resulted in chaos, describes and the dismissal Democratic opposition have said that the invitation to Mr. Brandt, of numerous regional officials because of the unsatisfactory outwho has supported the NATO decome. cision only in the vaguest terms, was a Soviet effort to deepen the factories and other places of work differences between the United by the hundreds, given two days of States and West Germany, to charloving and to use Mr. Brandt as a lever for influencing Mr. Schmidt. reserves have not specifically been

Trembling' for Peace

Brandt described Mr. Brezhnev as

the impression that the Soviet Union, following Mr. Brandt's thinking, might be allowed to retain some of its SS-20s. Mr. Becker said. the zero solution, meaning total abandonment of NATO's missile program, would only come into discussion "if the Soviets come down to zero." Mr. Schmidt has said this appears extremely unlike-Mr. Brandt expressed concern range nuclear forces.

By Kevin Klose

Washington Post Service

The sources said the new phase

named foreign enemy.

or inevitable.

The reports, from unofficial sources who did not wish to be

identified, reached here while Sovi-

et Foreign Minister Andrei A. Gromyko traveled to Warsaw to

ontline the Kremlin's views of the

political crisis to the Stanislaw Ka-

nia leadership as Poland's Com-

munist Party prepares for a crucial congress scheduled to begin July

Informed Western sources said

Delineated Responsibility

structions have once again been

sent to all factories, farms and ca-

terprises in the mountainous re-

gion from the military command

It is said by the sources that in-

as well in the interview about the different counts of weapons and warheads made by both sides. This left the impression that he was not fully confident in the estimates of forces given by NATO, an argu-ment that has been used by other members of his party to question the seriousness of Mr. Schmidt's contentions that the Russians hold marked superiority in middle-

Soviet Reserves Reported **Training on Polish Border**

> told the new round of training is related to the Polish crisis, but that all assume this is the reason for it.

They further say that surveillance by Soviet secret police in the trans-Carpathia, which is in the western Ukraine, has increased substantially since May. The region is bome to many who are of Czech, Hungarian and Polish de-

scent As with the reported aftermath of last year's call-up, regional officials and directors of enterprises have been told to make sure they have a full work force on hand, and to cancel vacations and business trips so that manpower re-mains at peak levels.

Propaganda Attack.

The reported start of the new training for reserves coincided with a stepped-up Soviet.propa-ganda attack on "counterrevolu-tionaries" in Poland in mid-May, which made clear the Kremlin's deep dissatisfaction with the way Mr. Kania was handling the challenge of reformers in the Solidarity trade union movement. Since then, Mr. Kania has withstood an at-tempt by hard-liners using a toughly worded Kremlin letter to depose

him, and it is expected that he will be re-elected party leader at the However, in the trans-Car-

ATEX

pathia, the sources say, reserves are being told that "a necessity has arisen in connection with complications in the international situation." and they must be ready to go to duty if an order comes to do-

congress.

Reservists who were called up last August at a high point of Pol-ish unrest are reliably reported to have been kept on duty until December, when they were returned to civilian life

There are also reports of soldiers from the region having been killed while serving the state on active duty. These reports, which like the reported new training effort can-not be independently verified, allege that some soldiers may have died in Poland. But it is unknown shert futbil being told they gave their lives in the patriotic service of the state.

WORLD NEWS BRIEFS

Now, the sources say, reservists

are being called from individual

vilian Mrc. The sources say that the

their pay to the government pen-sion fund, which is matched by their employers. By the end of the century, according to projections by the National Statistics Office, the rate of taxation is expected to surpass 30 percent, **Rates Contrast** By contrast, in the United

were reported killed. Tehran Radio said the apart-ment bad been a hideout of the Mujahaddin (People's Crusaders) guerrilla group and that the three dead were supporters of the group. Two of them were thought to have been killed by the explosion of one of their own hand grenades, the radio said.

In a separate incident, nine royalists were arrested at a house in a south Tehran suburb. the radio said. The royalists were accused of

Vietnam Chooses **Top Party Aide To Head Council**

Reaters BANGKOK — Vietnam's Na-tional Assembly has elected Truong Chinh, a senior Communist Party official, as president of the State Council, the country's new collective presidency, Radio Hanoi reported.

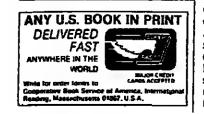
Mr. Truong, 73, who has been in the top echelon of the party for more than 40 years, formerly was chairman of the National Assembly. The assembly also elected Pham Van Dong as president of the Council of Ministers - in effect, retaining him in his position as premier. The vole was Saturday. Although the new collective presidency has been given wide constitutional duties, including electing the Council of Ministers, including diplomats here believe that the most powerful single figure in the Vietnamese hierarchy remains Communist Party General Secretary Le Duan

Radio Hanoi gave no further details of any other appointments in its brief announcement.

Outlawed Cooking Oil Kills No. 60 in Spain

MADRID — Lethal bottles of illegal cooking oil have claimed their 60th victim in two months. Spanish officials said Saturday that two other legal brands of oil on supermarket shelves are also unfit for consumption because they have traces of the same contaminant.

More than 10,000 Spaniards have been affected by the oil, which was sold in unlabeled botties door-to-door and contains rapeseed oil treated for industrial use as a Iubricant. Police have arrested five men for importing and distributing the oil.



1 K

L

a woman charged with adultery and a man convicted of taking part in an illegal demonstration in eastern Iran and of "carrying knives and chains to confront people."

100 Executed in 2 Weeks

leading recent disturbances. The

radio said that documents found in the house linked those arrested with the late shah and his secret

State radio said that another Mujahaddin supporter had been shot by Revolutionary Guards near the Caspian coast Saturday after failing to heed an order to

stop. More than 100 persons have been killed by firing squads in Iran in the last two weeks as part of a crackdown on underground

groups. Meanwhile, the Majlis (parliament) approved a new foreign minister to fill a vacancy that bas existed since the formation of the present government 11 months

The minister is Hussein Mousavi, publisher and editor-in-chief of the Islamic Republic newspaper. organ of the dominant Islamic Republican Party (IRP).

Mr. Mousavi had long been proposed by Premier Mohammed Ali Rajai hut his appointment, and that of other proposed candidates, had been blocked by the president, Abolhassan Bani-Sadr. Mr. Bani-Sadr disappeared last month after being dismissed as armed forces commander-in-chief and he has since been ousted as president.

Mr. Mousavi, 40, is a member of the IRP and sat on the all-powerful Revolutionary Council which ran the Islamic republic for about one year after the revolution.

His newspaper on Sunday quoted a public prosecutor's office as warning taxi drivers that they would be prosecuted if they were caught spreading rumors.

Tehran's bright orange taxis, which act more like minibuses by carrying up to five or six passengers, are traditional hotbeds of gossid.

Iran's spintual leader. Ayatollah Ruhollah Khomeini, called on citizens last week to watch and listen in public places and report any suspicious conversations or actions to the authorities.

Attribution Corrected

NEW YORK - Because of an editing error hy The New York Times, an article by Steven R. Weisman, on strains between White House aides and Secretary of State Alexander M. Haig Jr., in-correctly attributed to Richard V.

Allen, President Reagan's national security adviser, a statement that criticism of Jeane J. Kirkpatrick had brought out the tension. The statement should have been attributed to a senior official instead of to Mr. Allen,

cent days, including seven support-ers of the Mujahaddin. The others killed included six drug traffickers, cent days, including seven support-to push through changes in the sys-tem that brought calls from the opposition Christian Democrats for Mr. Schmidt's resignation.

Pension Concept

The beart of the problem, then as now. was West Germany's concept of pensions. Under a 1957 law, retirement benefits are linked to increases in the country's gross wage level. In the 1970s that indexing system led to pension increases that averaged 10 percent a year at a time when inflation in West Germany was about 3 percent annual-

In an attempt to reduce pressure on the system, Mr. Schmidt's gov-erament slowed increases in retirement benefits from 1979 to 1981. Instead of increases adjusted to wage growth, pensioners were giv-en a 4.5-percent increase in 1979 and 4-percent increases in the next two years. In that period, consum-

er prices rose by 5.5 percent. As additional relief to the system, pension payments by wage earners were increased, and pensioners were told they would have to share the cost of compulsory medical insurance beginning in 1982.

Guerrillas Kill 30 in an Attack In El Salvador

United Press Internal SAN SALVADOR - Leftist guerrillas killed at least 30 soldiers and civilians in an attack on a and civiliatis in an attack on a northern Salvadoran village, and an army patrol was reported missing after being sent into the area, litary commanders said.

The rebels, apparently in control of the area surrounding the village of La Ceiba, drove off helicopter assaults with heavy ground fire and ambushed at least one fnot patroi that ventured into the area. military officials said Friday.

The officials said that at least three guardsmen, a captain and 26 civilians - presumed to be members of a paramilitary rural patrol and their families - were killed in a rebel attack on La Ceiba, 5 miles (8 kilometers) north of the provincial capital of Chalatenango.

The officials said a military pa-New York Tunes Service

trol was sent to the village on Thursday to rescue the soldiers under attack, but that there had been no word from it. A second patrol sent to the village was ambushed and forced to return, the commanders said.

Officials nt the San Salvador morgue on Saturday reported 24 political slayings, including nine young men who were kidnapped Friday by unidentified gunmen from their homes in Chalatenango and shot and killed in a roadside ditch

ministered by independent agencies, under government review, whose policy-making boards are elected by business and labor representatives. In effect, pensions are paid directly hy funds that wage carners pay into the system, a though heavy government subsi-dies bolster the fund.

Work Force Shrinking

In a 1975 decision that reflected the shifting patterns in the employ-ment of women, the justices of the Constitutional Court, the nation's highest court, told the government that it had until Jan. 1. 1985, to change laws that give a widow 60 percent of her husband's retirement payments but deny a widower any benefits that may have accrued to his wife. The government's loss in the women's retirement payments will further strain the system.

Malta Expresses Fear **Of EEC Competition**

Reuters

VALLETTA, Malia - Malia's economy is not strong enough to enter a customs union with the European Economic Community because companies here would be exposed to fierce competition, the government of Prime Minister

Saturday, that strengthening Malla's association agreement with the EEC would be better for the island. Discussions on renewing the accord are under way but Mr. Mintoff left a meeting with EEC ministers in Luxembourg last

leaders as growing anxious because "they still don't know what the Italian Police Americans want." Commenting on the Brandt trip, Helmut Kohl, chainman of the Say Guerrillas Christian Democratic Party, said it was "unfitting when we Germans

Exchange Arms

ROME - Italy's anti-terrorist States and the Soviet Union." The United States has said it expolice have discovered links between leftist and rightist guerrilla pocts formal negotiations on the groups who helped each other by middle-range weapons to begin by the end of the year. The Soviet Unexchanging arms, information and medical aid, police sources said. ion has about 200 middle-range They said investigations over the last few weeks had led to the arrest SS-20 missiles targeted on Western Europe and the NATO decision of of 45 suspected guerrillas from ex-1979 is meant to counter their tremist organizations and the discovery of two arms caches near Rome. made by Mr. Brezhnev to Mr.

Those arrested were suspected Brandt would essentially mean a of taking part in guernilla attacks renunciation by both sides of debetween 1974 and 1979 and alployment of such weapons while legedly belonged to various leftist talks were in progress. What was groups and a rightist group that new, according to Mr. Brandt, was that the Russians no longer said that the United States should stop laimed responsibility for the bombing of a Bologna railway station last August that killed 85 perproduction or preparation of sites for eventual installation. SONS

During their inquiries, police found that the groups offered each other medical aid if their members were injured in gun battles with police, the sources said. They also discovered that lefusi gun smugfact that the SS-20s are in place, a situation that both Mr. Schmidt and Mr. Genscher say allows the glers had supplied rightist groups and exchanged information about Soviet Union to exert political pressure on Western Europe. As for the so-called zero solupolice investigations,

Crash in Mexico Kills 20 The Associated Press

he thought such a goal would MONCLOVA. Mexico - At mean in terms of reduction of the least 20 persons died and 46 were Soviet missiles. Mr. Wischnewski did not disclose Mr. Brandt's an-swer, but he said be referred to the hurt when a bus collided Saturday with a pickup truck on a highway in northeastern Mexico. The bus necessity for "an approximate balwas traveling from Monclova, ance Coshuila state. to Monterrey,

This also appeared to have vexed the government since it left

U.S.-West German Gulf May Be Deep

land, with each new lurn prodium-range U.S. nuclear missiles Brandt. in West Germany.

Notion Legitimized

terest of the United States to es-Although it is Mr. Schmidt who tahlish the possibility of such milipressed the United States to make tary conflict with the U.S.S.R. that the original decision, a fact gener- would not directly affect U.S. terthe possibility of stationing the West Germany although 50 permissiles on ships rather than on cent of the West Germans do not

agree to such an interpretation of the meaning of NATO, West Ger-many would become an American province in the meaning the term province had in the Roman Em-Dire."

If these remarks are striking, especially coming from a man whose party remained in power with only 42.9 percent of the vote last fail. most U.S. diplomats here believethat the controversy about the missiles and the anti-American tone are things the West Germans must resolve themselves.

Some Germans have already warned that the result of the developments could soon be a new kind U.S. isolationism; Europeans don't care, why should we? The next time anyone has to be rescued Europe, the Suddeutsche in Zeitung suggested, Americans may not be around to do it.

Cheysson Defines French Arms Sale Policy United Press International

PARIS - Foreign Minister Claude Cheysson says France's Socialist government will continue to sell arms abroad but not to dictatorships that could use them for repression, to countries at war or to those whose policy menaces the liberty of other peoples."

In an interview with Le Nouvel Observateur magazine, Mr. Cheysson said arms manufacture was necessary for France's defense and for its industries. "But we must have some reservations" because "a country with an unbearable totalitarian regime must not have French arms that could be used for repression," he said ...

In another development, Mr. Cheysson met Saturday with Farouk Kaddoumi, head of the political committee of the Palestine Liberation Organization. A Foreign Ministry spokesman declined to comment on the meeting, the first for a PLO official with the new French government, saying only that Mr. Kaddoumi had requested it.

Syrians Say Lebanese Obstacle Remains

BEITEDDIN. Lebanon - Arab mediators seeking a political solution: to Lebanon's six years of political violence said on Sunday that they had. failed to clear the major obstacle to a settlement - Israel's links with rightist Christians.

"This question has not been settled," said Syrian Foreign Minister Abdel Halim Khaddam after a two-day conference in Beiteddin with the foreign ministers of Lebanon, Saudi Arabia and Kuwait. Damascus is insisting on "closing the Israeli door" before getting down to detailed discussions on Lebanon's future.

Within minutes of the conference ending, Damascus Radio broadcast a commentary that said even an annonneement from the Christian Phalangist leader Bachir Gemayel - whose militia controls east Beirut the fate of Lebanon.

Unionists Welcome Lisbon's Economic Plan Renters

LISBON — Portugal's moderate trade union federation, UGT, has welcomed Premier Francisco Pinto Balsemão's call for a social contract

to help the country recover from an economic slump. In a televised speech Friday, the premier called for such an accord among the government, employers and unions as a means of implement-ing a prices and incomes policy. The premier also said the government had had to lower its growth target for 1981 to 3 percent from almost 5 Dercent

A spokesman for the UGT described the proposal as an overdue step in the right direction. But the Communist-left Interstadical union movement said Mr. Pinto Balsemão's speech contained oothing that would soften its total opposition to the center-right government.

2 Tropical Storms Kill 205 in Philippines From Agency Dispetches

MANILA - Two tropical storms that battered the Philippines in the same week killed at least 205 persons, officials said Sunday, Another 42 were reported missing.

Lynn, the second storm, was heading Sunday toward Hong Kong and southern China at 19 mph (30 kilometers per hour), the Manila weather bureau said. Its center winds were measured at 53 mph.

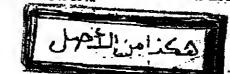
Tropical storm Kelly, the first to smash into the islands last week killed 194 persons and left 20 missing, officials stild. They estimated damage by Kelly at \$2.2 million.

Peking Says Rains Relieve Drought in North United Fress Interpational

PEKING - The People's Daily newspaper said on Sonday that beavy rains had "basically relieved" a severe drought that had left millions of Chinese hungry and prompted Peking to ask for international help."

The newspaper said that the rains, which began of Friday and ended. Saturday, had dumped as many as six inches (150 millimeters) of precipi-tation on half a dozen provinces, including the worst-affected regions or 1 China's parched northern plains

"As a result, the dry conditions in our country's northern areas since the first half of last year have been basically relieved." People's Daily said. However, Western agricultural specialists agreed that the rates fell at a critical time for spring wheat and other grops scheduled to be har vested in the autumn, but cautioned that it was too carly to proclaim an end to the drought.



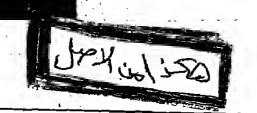
(Continued from Page 1) force West Germany into a con- ducing new suggestions that the frontation with the Soviet Union. United States is both warlike and The first was the call for sanctions without integrity. This week, this in relation to Afghanistan, which notion received unusual legitimizawas successfully resisted by Chan- tion through a statement by cellor Helmut Schmidt. The sec- Gunter Gaus, West Germany's ond issue is the current source of former representative in East Ger-

passion: the stationing of new me- many and a confidant of Willy Mr. Gaus said. "There is no doubt that it is in the political in-

ally disregarded in the debate here. mory. Restriction of the argument the issue is seen by the demonstra- in West Germany to military probtors as an attempt hy the United lems disguises the fact that the States to Europeanize a possible core of the controversy consists of nuclear war with the Soviet Union. making nuclear military conflict The issue has gone through vari- [in Europe] possible - if U.S. ous levels of discussions, including Pershing missiles were stationed in

month in an angry mood after they refused his request for more aid. EEC sources said. Nuevo Leon state.

Dom Mintolf said. The government said in its 1981-1985 economic plan, published



INTERNATIONAL HERALD TRIBUNE, MONDAY, JULY 6, 1981

On Strains in Economy Weaken Grasp of Argentine Junta

By Edward Schumacher New York Times Service BUENOS AIRES - The junta

of President Roberto Eduardo Viola, plagued by a worsening econo-my and internal power struggles, has become severely strained as the military seems to have lost the majority support it once thought it had from Argentina's 28 million people.

Since the beginning of the year memployment has doubled, infla-D. I. Unemployment has doubled, sumation has moved into triple figures and the peso has been devalued by more than 200 percent. Presidents more than 200 percent. Presidents Polish Bo? of both the central bank and the national bank have resigned, and to further the atmosphere of uncertainty rumors persist of other re-signations, including that of Gen. Viola himself.

The situation is dangerous, a top official said, because he fears that hard-line generals may crack down on what had been a slow liberaliza-

tion. The military remains firmly in power.

Until now public criticism from Until now public criticism from labor, business, farming and politi-cians has centered on the govern-ment's management of the econo-my. For the first time, however, critics are turning their attention to the continued military rule.

"The current process is totally lost," said former Sen. Vicente Leonidas Saadi, a Peronist leader, "because it is based on illegitimate claims, because of its repeated vio-lations of human rights, its general corruption...the lack of moral authority...and a power vacuum." Public apprehension is reflected in the crowds that bave packed the parrow streets of the financial dis-

trict here over the last several weeks to buy and sell dollars, cre-ating wild exchange fluctuations, The peso began 1981 at 2,000 to the dollar and closed Friday at 6.700

Each of the last three major devaluations was debated for days within the government, and leaks and rumors undermined their effectiveness. Both Argentine and foreign businessmen are delaying major investment decisions. An auto workers strike last month in which more than 1,100

were detained and later released added to tension. The unions, the strongest organized power outside the military, had been quiet for five years.

Demands grow daily for the re-lease of former President Isabel Perón, widow and successor of Gen. Juan Perón who was overthrown by the military and has been under house arrest. "If there were an election tomorrow," a sen-ior officer said, "Isabel would Even ordinary citizens who once either supported the military or were afraid to speak have turned angry. "The only resolution for

omission that discredits his accusa-

tions that the government is viru-lently anti-Semitic and his compar-

ison of Argentina with Nazi Ger-

Newspaper Columnist

Ramiro de Casabellas, a news-

paper columnist who was Mr. Timerman's No. 3 man at La Opi-

nión, said on Friday that the tapes,

several copies of which have been circulating in Bnenos Aires, were

The tapes were made in the pres-ence of Mr. Casabellas and En-

rique Jara, another employee who

Mr. Casabellas said on Friday

had also been called in by the po-

that before his arrest, Mr. Timer-

man and his subordinates had spo-

ken several times about rumors

that he was about to be taken into

custody but that Mr. Timerman

this country is to close down the military school," said Pedro Yusef. a 53-year-old truck driver who asked to be quoted by name. "I know what the military did to the terrorists and to those who were not terrorists," he said, referring to the thousands of people who have been killed or disappeared. "I do not not care, 1 am not scared."

Viola Speaks Out

Gen. Viola, who retired as army commander two years ago and suc-ceeded Gen. Jorgé Rafael Videla as president three months ago, had been mostly silent, but last week he began to hit back. In a speech, 10 provincial governors, he warned that the regime will not tolerate outbursts and said the country is experiencing a crisis that had been foreseen in what the military calls its national reorganization process. its program to restructure the country's economic and political systems.

Timerman bad never talked about

by saying that "the investigation"

of Mr. Graiver is "also going to ar-

rive to me, but 1 am not going to

leave the country, because 1 want

On Thursday, in the first re-

sponse by a military officer men-tioned by Mr. Timerman in his book, Gen. Ramon J. Camps, re-

tired, said in a magazine interview

that he had ordered Mr. Timer-

man's arrest solely because of the

Brazil Military Court

Jails 2 Journalists

The Associated Press PORTO ALEGRE, Brazil

Two Brazilian journalists were im-

prisoned bere after a military court

convicted them of publishing se-

cret army documents about guer-rilla battles during the 1970s, a spokesman for the alternative

newspaper Coojornal said Satur-

day. The documents published by

Rafael Guimaraes and Osmar

Trindade in Coojornal outlined the

army's record against small guer-

rilla bands that operated in Brazil during the years of greatest repres-

Graiver connection.

to definitely clear up this thing."

Mr. Timerman said he replied

Mr. Graiver.

La Prensa, a conservative and independent newspaper, has be-come very critical of continued military rule. One of the newspa-per's columnists was attacked as he returned bome recently. Five auto union leaders were

held in jail several days after the strike and the police have stationed patrol cars outside some unions. Police also raided a political meeting at a central hotel and arrested more than 60 leaders from various parties, although all were released several bours later.

The military has been determined to prevent the rise of another dictator like Gen. Perón, in part because of the current rivalry among generals and admirals. Gen. Viola is ambitious and many in the military are alarmed by his flirtation with the Peronists.

Gen. Viola was chosen president by the junta of three service chiefs after fierce internal bickering, Considered a master of compro-mise and shrewd infighter, he built quiet contacts to many union and political leaders and many civilian leaders believed he would lead the country back to democracy.

Blue-Collar Voice

Tensions Ease as Atlanta Counts 44 Days Shortly after his inauguration he indicated that he might seek the cooperation of the Peronist party, which remained the nation's larg-Without Mystery Death or Disappearance est party and the voice of the bluecollar workers although fractured and largely leaderless since the death of Gen. Peron in 1974.

Many military men, however, hope to dismantle the Peronist organiza-Gen. Leopoldo Galtieri, the army commander, publicly warned that it is the junta, not Gen. Viola, that it is the junta, not Gen. viola, that holds final power. In a tough Army Day speech two weeks ago Gen. Galtieri said, "The ballot boxes are still well guarded." The limits on Gen. Viola's pow-

er were underlined two months ago when the army on its own closed the border with Chile and called a partial mobilization after the arrest in Chile on spy charges of two Argentine military officers and their wives. Gen. Viola, the foreign minister and the other service chiefs were notified of the action several hours later.

Gen. Viola's patient, backroon style does not lend itself to a dy-namic public image that many crit-ics say the government needs. But be may he finding strength in weakness. The navy and the air force, fearful that the army may replace the president with a stronger

support. A group of admirals released a statement recently asserting that the military's rule cannot be considered indefinite, a rebuke to Gen. Galtieri in the euphemisms of Argentine politics. Both Gen. Viola and Gen. Galtieri have backtracked to a degree, The president, three-year term is up in 1984, be will probably be replaced with anBy Wendell Rawls Jr. New York Times Service

ATLANTA — The suspect in one of the 28 murders of young blacks here has been sitting alone lice and citizens alike place signifi-cance on the 44 days through Sat-urday that bad elapsed since Mr. in a jail cell for almost two weeks Cater, the most recent victim, diswhile Atlanta counts the days that pass without another mysterious disappearance or death.

Investigators continue to pursue leads that they hope will tie Wayne Williams more directly to the B. murder of Nathaniel Cater, 27, a day laborer. Technicians, meanwhile, have been searching for additional microscopic evidence. search for a suspect in the other

While highly placed law-enforcement sources say that the case against Mr. Williams is no stronger than when he was ordered last

Prisoner Ratio Seen

JOHANNESBURG - South Africa has by far the highest per capita prison population in the non-Communist world, the National Institute for Crime Prevention and Rehabilitation said here. In a survey published during the weekend, the institute said that South Africa has 440 prisoners for every 100,000 inhabitants. The survey said that, according to availcluded Kenya, 165; Israel, 137; lvory Cosst, 130; Finland, 101, and Britain, 75. sion, they say also that it has not weakened. lieve one person is responsible for all 28 homicides. •There can be no denial that po-

In other developments, a law-enforcement source said the manager of a recording studio told investisons were associated with the sus pect.

to Stop Children's Murders, which about half of that given to families of the victims.

Catalan Communist

The Associated Press

cialist Party of Catalonia.

Communist sources said that be-fore the Catalans' secret 58-33 Central Committee vote Mr. Ardiaca had refused to support the Eu-rocommunist line that is followed by Spain's Communice Party Thr. Europe. The Central Committee also increased its membership by held position that he does not be- five, all Eurocommunists.

Police Tapes in Argentina Question Timerman Story Timerman's failure to mention the Graiver case constitutes a major Jara, who now lives in Rome. Mr. Jara, he recalled, had said that Mr.

many.

authentic.

lice.

By Edward Schumacher New York Times Service

BUENOS AIRES - Police tape recordings of interrogation ses-sions with Jacobo Timerman have raised questions about whether the former newspaper publisher fully explained the possible motives of the authorities in arresting and torturing him.

Mr. Timerman has said that his 1977 arrest and subsequent torture furing two and a half years in prison stemmed in large part from the act that he is a Jew and from what ie charges is the anti-Semitism of he Argentine government.

Many Argentines who have surived imprisonment and torture reort that Jews are often dealt extra unishment and that Nazi flags re bung in some torture cham-EFS.

The Graiver Connection

On the tapes, Mr. Timerman can e heard acknowledging that he ad expected his arrest because of is association with David raiver, a fugitive financier who

portedly had died the year be-In New York on Saturday, Mr.

interman was reported as reionding with incredulity to reorts that the tape recordings of a ission with his jailers had called in question how complete his ac-: nd been

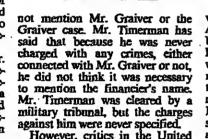
In his book, "Prisoner Without Name, Cell Without a Number,' hich was published in the United tates two months ago, Mr. Timermanustates that he was arrested in pil. 1977, because his newspaig the names of people who had hisppeared and were evidently ing held and killed by units of

In a telephone interview from home in Israel. The New York mes reported Mr. Timerman as LUS Runner that it seemed incredible to

Jacobo Timerman

had refused to leave the country. Mr. Timerman's charges that widespread anti-Semitism exists in Argentina have led to a major debate in the United States on human rights. The charges are widely viewed as having played a role in the Senate Foreign Relations Committee's rejection of Ernest W. Lefever as President Reagan's nominee for assistant gainst him were never specified. However, critics in the United secretary of state for buman rights

States and some Jewish spokesmen in Argentina have said that Mr.



and humanitarian affairs,

On the tapes, Mr. Timerman re-counts a talk that he had with Mr. sion by the military regime that took power in a 1964 coup. **Proposals for Active U.S. Military Role In Law Enforcement Arouse Opposition**

New York Times Service WASHINGTON - Proposals to involve the armed forces more actively in stemming the huge flow of illegal drugs and illegal aliens into

whether military personnel should erwise to execute the laws." A posbe authorized to operate equip-ment used for law-enforcement lante group summoned by a sheriff purposes or to participate in ar-rests, searches and seizure. or lawmaker to help keep the peace, as in a riot.

of the competing versions as to Force as a posse comitatus or othother military man.

general, have begun to rally to his



SALUTING THE FOURTH - A youngster cringed behind a gunner dressed in an Ameri-

can uniform of the 1812 era as salutes were fired in New York marking U.S. Independence Day.

cases remains intense, the signs of

- has reassigned one of its two task force members as well as about one-third of its bomicide de-

tectives, and officials in the nearby

township of East Point - where

four bodies were found - say they

are considering reassignment of

Mr. Brown, whose Atlanta po-lice officers make up about 100 members of the task force, said

the task force now is to make an-

other arrest. He reiterated his long-

their task force representatives.

gators that one of the other victims had visited the studio with Mr. Williams on two occasions, and parents of at least two other victims bave said recently that their Earlier last week, the Committee

Page 3

has been collecting money from across the country for almost a year, submitted a partial financial report to the state's Office of Consumer Affairs, saying that more than \$30,000 was collected and

ring every five days. Although such officials as Lee Patrick Brown, the Atlanta public safety commissioner, insist that the

Is Dismissed by Party

BARCELONA --- Pere Ardiaca, an outspoken supporter of pro-Moscow political guidelines, has been dismissed as head of the Catalan Communists, the Unified So-

. C. VI .) Dittle press." He said an Argentine Lary tribunal and two Argen-Supreme Court decisions had tred accusations that he was a at to national security. Those isions, he said, were all reached publicized while he was a pris-

> dr. Timerman also expressed stience with repeated reports he has said he was arrested use he was a Jew. "I never said as arrested because I was a he said. "I make that clear in book. I was arrested because newspaper was fighting for an rights. But once I was in I was treated differently beie I was a Jew."]

Graiver an Owner

the trainer, who owned 45 perof Mr. Timerman's newspa-La Opinión, was being investi-d by the Argentine govern-it for allegedly "laundering" som money taken by leftist rrillas known as the Montros. Earlier, in the United used by the Manhattan district rney of embezzing tens of mil-s of dollars from his own bank,

qualified endorsement of the Justice Department and may result in potentially far-reaching legislation this year.

But the proposals have aroused concern and opposition among two unlikely bedfellows, the Pentagon and the American Civil Liberties Union, as well as among civil libertarians, including former Sen. Sam J. Ervin Jr. of North Carolina, who are concerned about the American tradition of keeping the military separate from routine law enforcement.

Supporters of a more active mili-tary role in combating illegal drug traffic assert that the nation's vast military resources and manpower Taft IV "could be of major assistance in

stemming violent crime or conditions which contribute to it," in the words of a report by the Attorncy General's Task Force on Violent Crime.

The Senate and the Armed Ser-Lee Senate and the Armed Ser-vices and Judiciary committees of the House have all approved pro-posals to authorize and encourage greater military assistance to civil-ian law-enforcement officials.

crican Bank & Trust, precipi-tg its bankruptcy. his book, Mr. Timerman does cquipment, but there is consider-

dolph W. Giuliani has approved proposed legislation authorizing the use of military personnel to as-sist law-enforcement agencies by operating ships and aircraft on missions outside the United States

aimed at seizing drugs and arresting smugglers, and on missions anywhere aimed at surveillance of air and sea traffic. Mr. Giuliani's position, ex-plained in a June 8 letter to Rep. Peter W. Rodino Jr. of New Jersey, the Democratic chairman of the House Judiciary Committee, difdrugs

fers in some respects from that taken by the Defense Department's general counsel, William H.

Legislation Opposed

Mr. Taft has opposed new legis-lation that would involve military personnel in tense or violent confrontations, which could arise if the crews of naval vessels or military helicopters accompanied law-

enforcement officials seeking to make arrests or scignres. Broader concerns have also been

raised by Defense Department of-ficials and civil libertarians. They fear that any crosson of the long tradition of keeping the armed forces out of routine law enforcement, embodied in the Posse Com-

ment, embonica in the rosse con-itatus Act of 1878, could detract from military preparedness, blur the historic separation between the military and civilian government and threaten civil liberties.

"The military forces should never be used for law-enforcement purposes, even for the purpose of purposes, even for the purpose of suppressing the drug traffic," Sen. Ervin wrote in a June 2 letter to Rep. William J. Hughes of New Jersey, Democratic chairman of the Judiciary subcommittee on crime. Sen. Ervin recalled such past abuses as the widespread spy-ing on civilians by Army intelli-gence agents in the 1960s.

The Posse Comitatus Act in its present form makes it a crime to

2 Foes of Marcos **Jailed by Police**

MANILA — Military police have arrested two opposition leaders in the eastern Philippines on orders of President Ferdinand E. Marcos, opposition lawyers have reported.

J. Antonio Carpio and Grace Vinzons Magana, ranking officials of the Movement for Independ-ence, Nationalism and Democracy, were held on unspecified charges, the lawyers reported Saturday. At a rally the movement staged last month, four of about 4,000 marchers advocating an election boycott were shot and killed by soldiers.

Published reports said that Mr. Carpio and Mrs. Magana were tak-en to a military stockade in Legaspi. They were reportedly de-tained as they prepared for a rally Saturday at a park in Dact.

The law's limitations have been applied to the Navy by internal rule. Congress has carved out many exceptions to the law in the past, including suppression of insurrections and other civil disor-

The law has also been interpreted to allow such incidental forms of military cooperation with law enforcement as letting Drug Enforcement Administration agents ride along on military training flights and in radar planes to look for low-flying aircraft smuggling

The special advisory group's report recommended that the attorney general ask the Navy to help detect airborne and waterborne drug traffic," as he is authorized to do under current law.

The Defense Department favors provision passed by the Senate that would clarify the authority for the armed forces to provide civilian law-enforcement officials with information, equipment, facilities and training but would not author-ize use of military personnel to operate equipment on missions in-volving arrests and seizures either inside or outside the United States.

China Chooses

Two Bishops for

Nanjing, Suzhou

PEKING - China's independent Catholic church has elected bishops to bead the vacant dioceses of Nanjing and Suzhou following its latest dispute with the Vatican, the Chinese news agency reported on Sunday.

The agency said that the Rev. Qian Huimin and the Rev. Ma Longlin were elected bishops of Suzhou and Nanking at a meeting of the Patriotic Catholic Association and the Church Administrative, Commission in the eastern province of Jiangsu on Saturday.

The Chinese church broke with the Vatican in 1957 in order to sur-vive under Communist rule. It has consecrated its own bishops and priests without referring to the Holy See But four weeks ago Pope John Paul II appointed Archbish-op Dominic Tang to be archbishop of the southern province of Guangdong without consulting the Chinese church.

Chinese church. The government in Peking de-nounced the appointment as inter-ference in China's internal affairs and Archbishop Tang, who is now in Hong Kong, was dismissed by the Chinese church from his post of bishop of Canton.

The news report said the two new bishops were chosen to fill vacancies left by deceased predeces-sors. It added that the Patriotic Catholics' meeting expressed support for anti-Vatican church statements over the Tang affair and for his removal as bishop of Canton by the Chinese church on June 22.

Hyatt's unique style welcomes you to Saudi Arabia.

Welcome to a world of beauty and luxury at Hyatt. Enjoy natural greenery, outstanding cuisine and superb personal service. It's called a touch of Hyatt." And there's nothing quite like it anywhere else in the world. Hyatt Hotels. Welcoming you now in Riyadh, Yanbu, Jeddah and Gizan.



*in the language of Saudi Arabia this means welcome.

· For reservations at 97 hotels worldwide, contact your travel planner or your nearest Hyatt.

IOW HEAR THIS - Linda Moriarity of La Salle, Ill. is her unborn child to some music from the earphones a castelle tape player during a hunch break. Mrs. Moriany suid that her baby definitely responds to the sounds.





Page 4 Monday, July 6, 1981 **

The Two China Parties

Ostensibly a one-party Communist state, China in some respects bas the equivalent of two parties. Both believe in modernizing China and protecting it from outside harm, but they take sharply different approaches. One party, personified by Mao Tse-tung, who died in 1976, believes in a domestic policy based on exhortation, sacrifice and discipline and a foreign policy based on balancing off China's foes. The second, led by Deng Xiaoping, the current party vice chairman, follows a domestic policy leaning more to incenuves and decentralization and a foreign policy leaning more to foreign friends, including Japan. Europe and the United States.

Mr. Deng's party bas just won a striking wir. Deng's party bas just won a striking victory. A protege has replaced Mr. Mao's chosen successor. Hua Guofeng, as party chairman, and Mr. Deng himself has taken the Mao man's second hat as bead of the party military commission: the Mao line has been condemned. But it is not a complete victory. Hua Guofeng remains in a position to fight another day, as do the thousands of party aides and the millions of party members who are loyal to him, to their own status and habits, and to the Mao heritage of permanent revolution.

In its ascent in the last few years, the Deng party bas won broad favor in the West. For its greater openness to certain - not all foreign ideas and ways, it has been praised as

pragmatic and moderate. Recently, China bravely opened its books to the World Bank, from which it now seeks large (concessional) loans. It has also been seeking new ues with foreign private capital. For the first time the Communist regime has swallowed its pride and invited international relief to cope with drought and flood. Just the other day, it opened up a new pipeline to the Pentagon. Internally, it has been relaxing central controls and offering selected incentives to spur growth and boost productivity. The spectacle of a friendly socialist country, one making capitalist-type reforms and cooperating strategically, too, is a sight for sore Western eyes even Ronald Reagan's.

There is just one big hitch, and all the players know it. In a vast, poor, underdeveloped country like China, moderation and pragmatism have their limits. Extra consumption may rob funds from investment. Incentives may sharpen class and regional divisions. Loosening of controls may erode party control. Opening up to foreigners may attract fewer resources and more cultural germs than the authorities count on. Mr. Deng can cite the Cultural Revolution and much else to prove that the Mao way is a disaster. But will the Deng way work, as the West has every reason to hope? Mao's heirs are watching.

THE WASHINGTON POST.

Black Voting Rights

When it comes to voting rights, President Reagan told the convention of the National Association for the Advancement of Colored People last week, he stands foursquare behind the right of all Americans to cast a secret ballot. That isn't much of an explanation for why be basn't taken a stand on extending the 1965 Voting Rights Act.

The attorney general is carefully studying the way the law has worked, the president said. Meanwhile, he wanted the convention to know that he regards voting as "the most sacred right of free men and women." The nation cannot "sit back and permit a barrier to come between a secret ballot and any citizen who makes a choice to cast it."

We hope that when Mr. Reagan's aides report on their study, they will explain that anything less than renewal of the act will consultute sitting back. Trickery at the polling place can still rob individual minority members of their ballot. And, much more efficiently, so can racial gerrymandering and

There is one clear reason that these tactics rarciv work now: The Voting Rights Act requires certain states and counties to pre-clear such changes with the Justice Department. And the burden of proof is on the jurisdiction, not the black voter, to prove that the change is not racially discriminatory.

Mr. Reagan seems determined to show that be is not behind schedule. What's wrong with studying the law's effects? After all. it doesn't expire until August, 1982. What's wrong is the Senate's dilatory ways. A House subcomittee, mindful of that, has bad its bearings and is nearly ready to mark up a renewal bill. But the president says he doesn't need the attorney general's report till October.

Mr. Reagan could be further behind. He could bave lined up with Senate right-wingers who denounce the law and won't be persuaded by any study. But he is behind. A key House Republican, Rep. Henry Hyde of Illinois, has heard the testimony and relaxed his opposition to the pre-clearance provision. Some Southern Republican leaders say they can live with the law for another ten years. Sen. Barry Goldwater of Arizona bas now embraced renewal.

It shouldn't take Mr. Reagan three months When he does, he will realize what his pledge to the NAACP means: The decent thing to do is lead the charge for renewal.

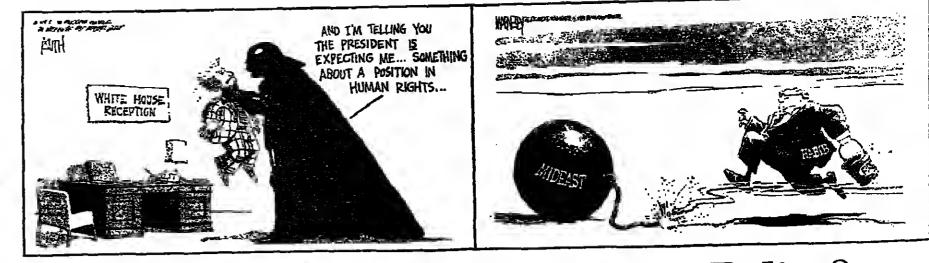
THE NEW YORK TIMES.

International Opinion

On U.S. Foreign Policy

One of the qualities of United States foreign policy for which its allies look most ea-

Euro-missiles than a Soviet willingness to withdraw from Afghanistan, whose independence and nonalignment were guaranteed against all external interference.



Does the U.S. Have a Foreign Policy? The Early Record Is Defensible

By William G. Hyland

The Habib mission was an inspired stroke and has worked. The broken-field running on the Iraqi nuclear crisis was also adept. Throughout, the administration has maintained lines to the moderate Arabs, including rebuilding re-tations with Morocco. On the other hand, openly collaborating with Iraq at the United Nations was disquieting, if not disgusting, and selling AWACS to Saudi Ara-bia is hadly timed, if not ill-constituted conceived.

In the Gulf region, rebuilding is also under way, starting with a long-overdue commitment of arms to Pakistan. Repairing this breach in a vital strategic area was a necessity. It opens the way for Pakistan's re-entry into area politics, without baving to look over its sboulder at the Khyber Pass. Meanwhile, the plans for the Carter rapid deployment force have been fleshed out, but exten-sive new commitments are being

Even African policy, which Reagan's critics are primed to at-tack, has been shrewdly balanced. There has been a new respect accorded to South Africa, but this is the key to any real political prog-

ress. Quiet diplomacy has as good a chance as United Nations blustering or abstract moralizing. Moreover, a commitment of more than \$200 million in aid to Robert Mugabe's Zimbabwe scarcely qualifies as rightist extremism. The lest. of course, will be the Namibian settlement, and the administration has wisely reviewed the doomed UN approach and raised the question of Cuban forces in Angola, which ought to figure in any genuine settlement.

Careful

Central America and the Carib bean remain areas where the record is also mixed. El Salvador was too quickly inflated and then too easily deflated. The issues are deadly serious: In Nicaragua, El Salvador and perhaps Honduras and Guatemala there are dedicated enemies of the United States. That needs no new documentation.

In sum, the administration has a foreign policy that hangs together. Its connecting tissue is a prudent conservatism, wary of new commitments, a little ragged in style and rhetoric, but careful in pracuce. Not a bad approach in an in-



By Philip Geyelin

WASHINGTON — Suddenly it's all the rage to pound on the doors of the Reagan adminis-the doors of the Reagan adminis-But a speech is no substitute for a decision-making procedure that brings the freewheelers into line with the president's purposes. Once that is done, a "foreign poli-cy" will emerge by an extrusion process in which the hot metal of competing proposals is forced by political, bureaucratic and, above all presidential pressure through tration demanding a Foreign Poli-cy. A "major foreign policy speech" would help, or even a Reagan Doctrine. Then, the critics cry, we would have an honest-to-goodness Great Debate on foreign policy. In the end, everybody would know what to expect of the all, presidential pressure through the die of crises and conditions around the world. United States.

United States. It is a beautiful thought, appeal-ing to orderly minds. Look here, say those who yearn for coherence, at what Secretary of State Haig said on his China trip, and at what The merging shapes and par-terns may some day deserve to be enshrined as Doctrine. But from all the available evidence, the the president said in his press con-ference, and at what Defense Sec-retary Caspar Weinberger said on a talk show and at what Ed Moese Reagan administration is a long way from being ready for that day. No matter: History argues for un-derstanding and patience all the White House adviser said, trying to tidy up. It doesn't hang together. But the reasons why it doesn't around.

are the very reasons why a speech cannot a foreign policy make. It works the other way around.

True, a White House call on the principal foreign affairs advisers for presidential speech material does concentrate the mind; it can have a therapeutic effect on interconflicts. The final product nal

Somehow, abuse, sentimentality

mpractical name. Rightcousness

ose efforts can be sustained.

Rep. Fenwick touched a central

laying out a balanced and mea-sured foreign policy approach two years later, in June, 1963. Only a handful of brave senators questioned Lyndon Johnson's Tonkin Gulf resolution — a Fro-nouncement of high policy that be-came the basis for escalation in Vietnam. Jimmy Carter spent a full term trying to explain what he really meant in his maiden foreign policy speech at Notre Danie carly in his first year.

produce Kennedy's truly memora-ble American University speech.

Doctrines

In the current issue of Foreign Policy, former Undersecretary of State David Newsom castigates the Carter Doctrine's threat of "military force" if necessary to protect the Gulf as a policy growfor a presidential speech." He adopted by congressional resolu-tion, as a model of how to proceed.

But that, too, was a rush job with sweeping implications: "Overt armed aggression [in the Middle East] from any nation controlled by international Communism" would be resisted by "the armed forces of the United States." As with the Carter Docirine, there was no real military force to back it up. Only by play-ing fast and loose with the facts did its ultimate invocation in Leb-



Mrs. Fenwick spoke up, loud

Fear

• A Lost Chord: Positive Purpose

creasingly turbulent world.

carefully avoided.

rly is consistency of purpose and practice. Consistency has been evident in one theme that bas been present, though sometimes rather too simplistically, in all the Reagan administration's thinking on international affairs: a determination to be tough toward the Soviet Union. Against that must be set more than the expected quota of confusion in action, and a number of areas where anything worthy of the name of a foreign policy has still to be developed.

The administration has been especially uncertain in its response to the Israeli raid on Iraq's nuclear reactor. The United States government was inevitably caught between the conflicting pressures of international opinion and the Jewish community at home. But the way in which it handled those pressures was evidence of an administration in which the making of foreign policy is not properly coordinated. That impression is confirmed by the inability to produce an adequate policy at all in such critical areas as Africa and the Middle East. Nor is there confidence or clarity about American intentions in Europe.

-From The Times (London).

The Carrington Mission

Although the present acute degree of East-West tension was not created solely by Afghanistan, the Soviet intervention there marked the beginning of a new phase of cold detente. The Soviet Union's refusal to withdraw its forces, in face of almost universal condemnation by the non-Communist and nonaligned world, and indeed by some Communist parties, has been a serious barrier to improvement of relations in other fields -above all in nuclear arms control and disarmament. Nothing would contribute more to a resumption of SALT and negotiations over

s of such an agreement or even of the bolding of a conference as proposed by Lord Carrington, are not bright, but there bave been some encouraging points.

- From The Observer (London).

Chinese Uncertainties

There are indications that Mr. Deng and his followers decided, on tactical considerations, not to strengthen the notion that they wanted entirely to repudiate the nation's Maoist legacy. All this suggests a compromise to bring about a truce in China's struggle for power, notwithstanding Mr. Deng's dismissal of the very idea of such struggle. There must, therefore, remain some uncertainty about both the cohesion and the direcuon of the new regime.

- From The Statesman (New Delhi).

Mao's Achievement

While Mao's policies and the associated economic chaos certainly led to the deatbs by violence and starvation of hundreds of thousands, even millions of Chinese, he was not. like Stalin, a psychopathic and deliberate mass murderer, concerned only to exterminate all potential centers of political opposition and lacking totally any concepts of social reform. For all his gigantic failings. Mao Tse-tung will have a lasting place in history as one of the makers of the twentieth century. His pragmatic successors will discover just how difficult it is to move such a backward and decentralized nation of more than one billion souls in any new direction. It will be against their progress, or lack of it, that Mao's achievement in creating a modern China will be measured.

- From The Guardian (London).

In the International Edition

Seventy-Five Years Ago July 6, 1906

NEW YORK - The attack made upon American cigarettes before the British House of Lords Committee is not taken very seriously by manufacturers here, in view of the manifest falsity of the statements regarding factory conditions and the actual extent of anti-cigarette legislation in the United States. The assertion of Mr. Edward Gaston, of Chicago, that the American cigarette is worse than canned beef causes only smiles. Mr. Allen, of the British-American Tobacco Company, said that the allegations that American cigarettes were filled with deleterious matter were preposterous. He added that few American cigarettes went to England, but those were of high grade.

Fifty Years Ago July 6, 1931

WASHINGTON - "Scarface" Al Capone has extended his territory from Chicago to embrace one-quarter of the United States, according to federal agents who uncovered activities of the Capone vice and liquor ring leading to indictments to which the gangster recently pleaded guilty. Capone's operations now extend as far as New York to the east, Minneapolis and Detroit to the north. Omaha on the west and Tulsa and Hot Springs to the south. Telephone records made available to the federal agents show that hundreds of lowns in this territory receive liquor supplies from the Capone syndicate. Numerous small gangs do the actual distributing, but Capone collects a tribute paid on every gallon sold.

noer. docurines are not being proclaimed, but some se-CTRASBOURG - Rep. Millirious re-examinations of options in D cent Fenwick, the New Jersey conventional and nuclear strategies have begun. Republican, has jurned yet anoth-

buster decisions on the MX and a

The writer, formerly deputy assist-ant for national security to President

Ford, is joining the Carnegie En-

dowment as a senior associate. He wrote this article for The Washing-

WASHINGTON - The

W Reagan administration is about to suffer the fate that befell the Carter administration after its

first six months. Then, in mid-

1977, the pundits decided that Carter couldn't cope. After that his

Carter count i cope. After that his foreign policy was an uphill strug-gle unul the Middle East peace treaties offered respite. Now it seems President Reagan's foreign policy is about in be dismissed as

But there is a Reagan foreign policy, and it is reasonably sound. It includes a judicious blend of continuity and new departures.

Important building blocks are al-

ready in place. The foundation stone is the re-

turn of Soviet relations to the core of U.S. policy. This is where it be-

longs, given the growth of Soviet military power. Moscow's ambi-tions and its reckless conduct. De-

spite salty language and question-

able historical judgments, the ad-ministration's dealings with Mos-cow show a sense of balance. Contacts between Secretary

Haig and Ambassador Dobrynin are proceeding more or less regu-

larly in preparation for negotia-tions during Foreign Minister Gro-myko's visit to the United Nations

in September. The grain embargo has been lifted. The SALT process

has not been killed. nor bave previ-

ous agreements been repudiated

Careful preparation for any nego

Defense

with an element of flexibility. The

with an element of recontry. Inc Polish crisis has been handled firmly. The administration bas opened the line to Moscow but has had the prior a removable for poli-Afghanistan status quo, but with-out inviting confrontation. Defense policy must also be counted in any rechange of the

counted in any reckoning of the

Linkage has been revived, but

tiation is important.

nonexistent or incoherent.

ton Post.

The initial apprehension in Eucan relations into an important rope that the new administration sounding board. would be hell-been for cold war confrontation is dissipating. A key decision was made in May at the through the usual themes last week Rome meeting of NATO, where Secretary Haig realfirmed the orig-inal double track of December, about missiles and interest rates and the Soviet menace, and gone on to what some now consider the tiresome issue of human rights. 1979. to deploy new U.S. nuclear weapons in Europe but also negotiate with Moscow. Eventual negoand clear. She is a remarkable woman, slinly elegant, her blue-gray hair perfectly groomed, a pio-ture of what I imagine in the tiations will be a nightmare, but a display of continuity and unity was an indispensable start for a poshest New Jersey country clubs much-needed re-examination of until she puffs thoughtfully at her basic security policies in Europe. pipe for a moment and then raises Moreover. Europe is in turmoil. and trouble is coming. The Com-munists are in the French governher voice. ment for the first time in 34 years; "Why are we building ibese aw-ful weapons? What for?" she said. this is not a minor ripple but a dangerous precedent. The Chris-The last Soviet doctor who detian Democrats in Italy bave given nounced the use of psychiatric up the premiership for the first wards to punish political prisoners time in 26 years, perhaps opening the way for another leftward shift. is now in jail. We don't want 10 livelike that. People don't die for a A pacifist movement reminiscent second washing machine. But they of the 1950s has reappeared with a die every day for ideas. Human vengeance in northern Europe. It rights, the right to dissent, the right to speak and publish --- that's was a misguided movement 25 years ago and is even more danger-ous now. Poland could blow up what we want to defend and we must say so." and force some painful decisions The point seemed astonishingly fresh. It suddenly drove bome the for the alliance. fact that for some time now we

Diplomacy

have been talking a lot about op-Now is obviously not the time posing Soviet expansionism, opfor super-activism in European posing government regulation, opposing waste, opposing this and that. But we haven't heard much policy, but rather a time for careful tending to the bread-and-butter issues of defense and security and for building a consensus - which about what we are for, what be-sides fear holds the free communiis exactly what the administration has been trying and should contin-ue to try at the Otlawa summit which, incidentally, should be expanded to include security issues

as well as economics. In the Far East there have been some rough spots with Japan, but the bectoring of Tokyo over de-fense and trade seems to have been brought under diplomatic control. And the Haig China trip con-founded those who predicted a disastrous end to the China policy of the Nixon-Ford-Carter years; in-

deed, the willingness to sell arms is modern problems. "Where do we want to go? We talk in the terms of the past and we a logical extension of policy, not a radical break, and the commitment remains flexible. This proved for-tuitous, since China is obviously in the threes of another internal pohave lost the sense of the future,' he said. There is a terrible silence at the

everywhere

litical upheaval and foreign policy experimentation. Haig took out some necessary reinsurance. top these days when it comes to telling people why they are being asked 10 make sacrifices and what In the Middle East, the prob-lems are more intractable, and the free society is about. That lack of expressive clarity on our purposes record is thus a mixed one. On the may be an important factor in the one hand, the administration has skillfully negotiated two crises. rise of fundamentalist religions By Flora Lewis

Certainly it is a major factor in not yet been turned to this necessary expression of goals. That is the indifference or withdrawal of youth from conventional public the clement of leadership which debate. And it is a tangible factor the allies seek from the United er conference on European-Ameriin the widening chasm between American and West European States, not just more rockets and muscle. It is the element which the opinion on the meaning and prop-er direction of the alliance. United States provided in the past and which did rally hopes and en-The talk here had droned ergies around the world

There has been a good deal of noise about neutralism in Europe. and hot air have managed to turn the great phrases expressing free-dom into apparent platitudes, and Over 100,000 people gathered in Hamburg last month for churchsponsored discussions on peace given human rights a shopworn, and rejection of new American missiles has provoked revuision.

In West Berlin, a free but isolat-But it is not moralizing to de-clare cherished values and the reed enclave surrounded by a Communist state, some 8 percent voted for the "alternative" list in recent solve to strive for them. It is not unrealistic politics or diplomacy to elections. That is, they rejected all name the positive purpose of our the parties and conventional politi-cians but they didn't abstain. They efforts. On the contrary, open advocacy of humanism everywhere and open indignation at its denial anywhere is probably the only way went to the polls and sent a message which said in effect, "No to all of you, yon give us no reason to

support you." Rep. Fenwick quoted a stanza by William Butler Yeats to add problem of our times in pointing to the need for some freshly "pas-sionate intensity" on the side of resonance to her plea for a re-newed statement of basic princithe conviction that liberty means ples to which we can acknowledge respect for human rights. 0/981, The New York Times. ledication.

Things fall apart. The center cannot hold. Mere anarchy is loosed upon the

The blood-dimmed tide is loosed and everywhere

The ceremony of innocence is drowned. The best lack all conviction

and the worst Are full of passionate intensity.

This is not self-flagellation, the debilitating criticism which the ude that sent Ronald Reagan to the White House sought to halt. It is a call for assertion not of tough-ness or belligerence but of stirring ideas.

Strangely, President Reagan's great skill in communicating has

anon fit its terms,

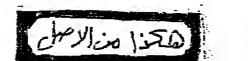
The Nixon Doctrine, spelled out by its author at an unrehearsed background press conference as the end of a long day on the island of Guam, had a short shelf-life. And Nixon, by that time, had just one real foreign policy adviser. Henry Kissinger, in whom he reposed much trust,

Reagan has a cast of, well, three or four, of distinctively different persuasion. He bas, in addition, his own instincts and predilections on Taiwan, Arab "refugees," the in-ternational Communist conspiracy and the power of pure patriousm to muster, without a draft, all the manpower his defense buildup will demand. They do not add up to a foreign policy fit for current consumption - or events.

Soon enough, the president will have to bend his principal aides to his purposes — or replace them. But first he's going to have to set-tle on his purposes. Given where he's starting from, I hope he has as many firsthand encounters with foreign dignitaries as he can fin in, and goes right on dispatching en-voys around the world. Events permitting, I hope he takes his time. 61981, The Washington Post.



Herald-Tribune	Lee W. Haebner	Publisher
John Hay Whitney Chairman Katharine Graham Arthur Ochs Sukberger Co-Chairman	Philip M. Foisie Waiter N. Wells Robert K. McCabe Stephens Klaidman	Executive Editor Editor Deputy Editor Chief Editorial White
International Haphil Tabuta, S.A. m capital de L200000 F. B.C. Parla No 73 B 2112 (279/18), see, Charles de Gaelle, S2511 Neully- see, Seine, T.B. 747-1245, Teletic H2718 Harnhi, Parls Cables: Hennik, Parls, Dianteur de la publication: Watter N. Thayte, U.S. atheritation price S203 yeards, Second data parage paid at Long Mana City, NY. 11100 O 1081 Lanexanitional Horndi Thems. At Angine reserved. Canadiation Publication No 24 201. General Manager, Asst. Athib Lanexer, 2014 Billion Word, Room 1701. Hong Kong, Tel. 5-28 54 (8/A, Teles: 64 170) SPITHEOR.	Roland Pinson René Bondy Prancois Desmaisous Richard H. Morgan	Associate Publisher Director of Finance Director of Circulation Director of Advertising



ly together. Rep. Fenwick argued the need to articulate the goals of Western society, to offer the young something to defend besides their paychecks. It struck a chord. Aurelio Peccei, the mild-mannered scholar who was a cofounder of the Club of Rome,

pointed out that our modern countries have developed an amazing technology in many fields. But our culture, our attitudes, most of our arguments are from another age of struggle and no longer apply to INTERNATIONAL HERALD TRIBUNE, MONDAY, JULY 6, 1981

Rioting Shifts Moroccan Focus From Sahara to Internal Unrest

By James M. Markham

New York Times Service CASABLANCA, MOTOCCO -At a moment when Morocco's six-year-old war in the disputed Western Sahara is finally going well. King Hassan II's country has suddenly exploded.

Last month, a general strike called to protest the sharp rise in the prices of basic foods degenerated into rioting that drew thousands of youths from the shantytowns encircling Casa-

oli_{cy?}

Needel

Roaming mobs stoned huses and assaulted symbols of wealth: banks, pharmacies, gro-cery stores and sleek automo-biles.

On the verge of losing control, police and military units fired into the crowds. The government says that 66 persons were killed, none by gunfire. The opposition Socialist Unico of Popular Forces says the death toll was 637, most of them children and teen-agers from the slums, and says almost all were killed by builets.

Few people believe the gov-erament's assertion that the deaths were caused by knives and stones, and many find the Socialists' number high. The figure of 200 dead is mentioned as plausible.

Food Price Increases

The trouble can be traced to May 29, when Premier Maati Bouabid and Finance Minister Abdel Kamel Reghaye bowed to pressures from the International Monetary Fund, which at the start of this year lent Morocco \$1.2 billion to improve its sagging balance of payments and to restructure its alarming foreign debt

Without consulting their Cab-inet colleagues or, it seems, the king, the two men dramatically altered the lives of most Moroccans: The price of butter was

raised 76 percent, wheat flour 40 percent, sugar 37 percent and cooking oil 28 percent. The IMF had insisted on lower govern-ment food subsidies.

Even state-run newspapers and the nationalist Istiglal party, which is part of the government, joined the ensuing protests, and the premier retreated, cutting the price increases in half. But the Democratic Workers Confederation, a union federation close to the Socialists, sensed an issue that ought help it recu-perate from setbacks in plant elections and called for a general strike.

The union was upstaged by a rival group, the Moroccan Union of Workers, which has ties to Mr. Bouabid and Labor Minis-ter Arsalane Jadidi. It called a strike of its own for Casablanca and the nearby industrial city of Mohammedia on June 18. The strike took place peacefully. The trouble erupted two days later when the Socialist labor federation flexed its muscles in a city apparently ripe for trouble.

Accumulated Rage

Perhaps two-thirds of the city's 3.5 million to 4 million people live in tin or mud huts or other improvised housing. This year the worst drought in several decades has driven 1,200 impovcrished peasants a day in from the countryside, seeking shelter with relatives here. The city is believed to be growing by 5.2 percent a year. The June 20 strike call was the pretext that

ignited Casablanca's accumulated rage. The violence has ended, but the political repercussions continue. Hundreds of people have been arrested - the government says 500, the opposition more than 1,000 — and among them are the leaders of the Democrat-

main lefuist newspapers have been closed.

"Our newspaper has been shul down by the police," said Mohammed Lyazehri, a Socialist member of Parliament, "I, as the editor of the newspaper. have been given no notice of le-gal action. But I cannot go to its offices."

King Hassan's 20-year reign has been punctuated by periods of liberalization followed by crackdowns, and some Moroccans suspect that a new epoch of repression has started. But Mr. Lyazghri noted that riots in 1978 in Tunisia, which faces similar social problems, led to an opening of the political system there.

"We need a truly democratic process and an end to these fab-nicated trials and the holding of open and free elections," insisted Mr. Lyazghri, who repeated a Socialist complaint that the 1977 parliamentary elections were rigged. "In Morocco now, everything is going to depend on the internal front."

Hopes for greater democracy in Morocco, which has more than most Arab nations, depend on a willingness by King Hassan to cede some of his enormous powers to others. But the 52-year-old king has skillfully maipulated parties and politicians before, and even his government makes few decisions of its own.

The war in the Western Sahara against the Algerian-backed Polisario guerrilla movement has helped rally the politicians, who from the tiny Communist Party to Istiqual support Morocco's claim to the desert territory. But an improved Moroccan military position in the Sahara makes it

easier for the parties to raise domestic issues, The cost of the war continues to weigh on the faltering Moroccan economy, which depends on uncertain phosphate exports to ic Workers Confederation. The

conciliatory gesture toward the Socialists. News Agency Affirms UN

King Hassan II

maintain some sort of equilibri-

um. World phosphate prices are

up, but exports fell this year, ag-

out of Parliament, and the king

has warned them not 10. He has,

however, always considered his

political foes as salvageable and

essential players in a game in

which he makes most of the

rules, and he has distanced him-

self from his government on the

price-rise issue. Some politicians

suspect he may soon make a

Payments

The Associated Press ROME - The news agency Inter Press has acknowledged that it receives payments from UN agencies to write articles on Third World subjects, but said it retains editori-

al control over the stories. The Rome-based agency said on Friday without the articles sponsored by UN agencies.

Inter Press denied suggestions that it is biased against the West. We categorically refute the implication that IPS has links with any particular political sectors and

Sonoda, Shooting From the Hip at U.S., **Criticized in Japan for His Outspokeness**

By William Chapman

By William Chapman Washington Post Service TOKYO — In Japanese diplo-macy, the normal technique for dealing with trouble is to to emit a great cloud of vague and ambigu-ous terminology designed to ob-scure, not beighten, the confronta-tion with friends or foes. This is definitely not the style adopted by Sunao Sonoda, the new foreign minister. For the past month, he has been shooting from

month, he has been shooting from

NEWS ANALYSIS

the hip with sharp anu-U.S. statements that have raised eyebrows around this gossipy capital. They have got him in trouble with influential politicians, some

of whom are going public with their criticism of Mr. Sonoda, and there is speculation that he may not outlast the next Cabinet reshuffle.

When the American Japanolo-gist Edwin O. Reischauer made his blockbuster remarks about U.S. remarks that got Mr. Sonoda in trouble. A part of the Japanese press had been expressing similar ships carrying nuclear arms into Japanese ports, most of the gov-Suzuki himself would seriously disemment hunkered down waiting for the storm to pass, as it eventuagree with their contents. ally did.

Not Mr. Sonoda. He told a Diet

A few days later. Mr. Sonoda was asked what he thought of re-ports that the Reagan administra-

Then, in Manila for a meeting with U.S. Secretary of State Alexander M. Haig Jr., Mr. Sonoda criticized a communiqué issued in May when Premier Zenko Suzuki met President Reagan in Washington. That communique contained the fateful word "alliance" to de-scribe the U.S. Japan relationship and its military connotations triggered a major upheaval when

the communiqué "was not bindine." in the some near that he was referring to commu- the Act.

By Richard Halloran

New York Times Service

WASHINGTON - The Navy has proposed an ambitious plan

for shipbuilding and aircraft pro-

and nearly 1.900 airplanes.

that it will take the most important step and agree to sell sophisticated new weapons to this country. Any of those moves from Washington to implement the Taiwan Relations Act, which established expected."

unofficial ties between the two countries, is likely to arouse new hostility in Peking. The Commuput out a demurrer insisting pursued ties with Taiwan under

the United States, not inflame founded upon the Japan-U.S. se-curity arrangements are the contensione of Japanese foreign them, and he is being criticized not for being unfair but for suspected policy." he said in a major policy address in 1979.

incompetency. "When he made his first re-marks in the Diet, we thought that he was only speaking his mind," said a member of the Liberal Dem-ocratic Party. "But since the com-ments [in Manila] on the communique, we think that he is just not a very competent foreign minister." Such criticism had been kept

quietly within the ruling party un-ul an influential member, former Foreign Minister Zentaro Kosaka, asked Mr. Suzuki to get Mr. Sono-da to "behave himself."

According to an aide, Mr. Kosaka observed that recent U.S.-Japan relations had not been smooth and said that Mr. Sonoda's behavior was not the way to solve the problems. There is a "strong attitude" within the party that Mr. Sonoda's behavior has become a problem, the spokesman said.

Motives Are Puzzling

Mr. Sonoda's motives in unleashing his remarks mystify onlookers. He has a reputation for being outspoken, hut during a previous two-year tenure as foreign minister he was known neither as a hip-shooter nor as an anti-Ameri-

through-and-through pacifist." U.S. diplomats have been irked and puzzled by Mr. Sonoda's remarks, but insist that in regular day-to-day meetings with Foreign Ministry officials they have en-countered no hints of any basic changes in the U.S. Japanese relationship. Those officials have on occasion offered explanations of his comments "and they have ex-

"Friendly and cooperative rela-tions with the United States Embassy spokesman said. plained them satisfactorily," a U.S.

not

Taiwan Aides Say U.S. Means to Upgrade **Relations Despite Warnings From China**

> Taiwan officials would speak in detail about promised im-

provements under the act, but said claim to have received signals from there have been positive indica-Washington that the Reagan adtions that Mr. Reagan will authorministration will upgrade relations ize an increase in the number of between the two countries despite so-called liaison offices in the the repeated warnings against doing so from Communist China. United States, and said there already appear to be easier contacts between the two countries in In interviews, the officials said they have received indications of Washington. changes in two relatively minor but highly symbolic fields - con-

"In light of President Reagan's philosophy of anti-Communism tacts between representatives of and the important relationship we must maintain, we have every reason to believe that relations with the United States will improve under his administration." said Premier Y.S. Sun, the country's second-ranking leader.

The premier said be is "optimistic" that Washington will permit an increase in the number of liaison offices and that "more frequent contacts" in Washington are

> Two other officials said the government had been encouraged by DECERI, ONSILIVA, Sansta barro W said his government has been told that a former Taiwanese consulate

Another official, who asked not to be identified, said that "communications are better" now between Taiwan's representatives in Wash-

in Boston may be reopened as a

aison office.

Page 5

His critics within the party pri-vately accuse Mr. Sonoda of play-ing to the press, which has been unusually critical of the latest round of U.S. requests for a Japan defense buildure

Some, however, believe his re-marks reflect a genuine personal pacifism and nationalism. He has

never been a part of the Liberai Democratic Party's element that favors substantial defense forces.

and recently, while he was minister

of health and welfare, he argued

againsi a stronger military com-mitmeni. An authorized biographi-

cal summary states that Mr. Sono-

da "spent the prime years of his adult life, from age 24 to 31, on the battlefield, and this long and bitter

experience turned Sonoda into a

defense buildup.

ington than during the Carter administration. The U.S. normalization of relations with mainland China re-quired it to drop official recognition of Taiwan, which is permitted neither an embassy nor consulates

in the United States, The Taiwan Relations Act authorized 14 liaison offices, which act as consulates, but under the Carter administration only nine were permitted to open.

There are supposed to be no of-ficial contacts between the two countries. Taiwan, under the Carter administration, found it difficult for even nonofficial representatives in Washington to approach U.S. officials.

But officials in Taipet say the ground rules for such meetings have been changed and that conson offices in the United States in its fight to prevent the Communist government from isolating it in the world, "They would like to edge everything back to an official level, to show that they can operate on an equal level with the government U.S. Navy Wants to Build 143 Ships, in Peking," an experienced foreign observer in Taipei said. 1,890 Aircraft for Margin Over Russia Arms Sales

Uganda, in Need of Drugs, **Tourists Find Battles Typhoid Epidemic**

officials are battling to control the biggest typhoid epidemic recorded n Uganda, with doctors estimating that there are more than 1,000 typhoid cases in Kampala,

Hospital authorities have no exact figures since they are able to admit only the worst cases. United Nations officials said this weekend that one-third of the hospital beds in Kampala were filled with cases - of typboid-to

: by contaminated food or drink. The problem is compounded by the collapse of Uganda's health services. UN officials said in Nairobi. They said run-down hostect springs from pollution, if a pitals and dispensaries throughout sanitary engineer could be found Jeanda lacked dru and even water and electricity, making it impossible to prevent the spread of measles, tuberculosis, dysentery, cholera, tetanus and typhoid. The deputy minister of health. Theresa Odongo-Oduka, denied there was a typhoid epidemic in Kampala until she came down transport. with the disease.

KAMPALA, Uganda - Medical UN officials said further supplies would follow. The vaccine was being used to protect the staff of health institutions, schools and food handlers.

EEC Aid

Attempts are being made to rebutcher knife. pair and restore piped water sys-tems. The European Economic Community is financing work on the system there a must economia. But officials say it will take months to complete the repairs. Unicef said it was also ready to provide cement and pipes to pro-

July 4th No Holiday in U.S. United Press International

MIAMI — A busload of tour-ists from Spain and Colombia on its way to Disney World for Fourth of July celebrations was commandeered for 90 minutes Saturday by a man with a

About 15 minutes after the bus started out, the man told the driver that he was on the stowing the bus to let the man off, the man put a knife to the driver's throat.

Police said that, during a brief struggle between the robber and the driver, the 15 Spanish-speaking passengers

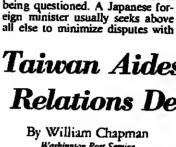
gravating a trade deficit that was already growing because of food imports caused by the drought. remarks at all that Mr. Sonoda is (parliament) committee that Mr. The king has just returned from Reischauer's remarks amounted to visit to Saudi Arabia, a finan-"uncalled-for meddling by an American with big power arrocial backer of the war, where he is believed to have asked for gance," more money to cover a billiondollar current-account deficit. Military Issue On the political front, the next move is up to the king. The Socialists have threatened to walk

tion might reduce its financial support of some United Nations or-ganizations. The United States should not carry on like a god un-less it pays its dues," Mr. Sonoda

declared. More recently, he has acted the lightning rod in criticizing U.S. 1equests that Japan build up its military force more rapidly to help de-fend sea lanes in the Pacific Ocean. Mr. Sonoda told reporters he could comprehend a request to add the second floor to one-story house, but it is out of the question if they ask us to build a 10-story

the two countries and an increase building. in the number of Taiwan's unofficial consulates in the United States. But the government on Taiwan is nervously waiting for the Reagan administration's first hint

Mr. Suzuki got home. Mr. Sonoda told reporters that



Sunao Sonoda

niques in general, not to the one in

Washington. Later, in Tokyo, he denied ever making any remark

It was not the substance of those

views, and it is doubtful that Mr.

But it is because he made such

about communiques.

Washington Post Service TAIPEI - Taiwanese officials

Unreliable Water Supply

Doctors say the main cause of the typhoid outbreak is the unreliable water supply system. Tests by Kampala's Makerere University have shown that the disease is spread by polluted springs and wells that serve 25 percent of the city's 500,000 population.

As a result the country is threatened by a wave of epidemics potentially as serious as the Karamoja famine, which killed thousands of people in the northeastern part of the country last year.

Uganda's once excellent sanitation and health care system broke down during Idi Amin's eight-year rule, which was overthrown two years ago, and has not been repaired by the seven-month-old government of President Milton Obote, which is facing dire economic problems.

Locally made fruit drinks, the sale of which was banned several weeks ago after the first typhoid cases were reported, are still on sale although UN experts say tests have shown them to be contaminated and dangerous to health.

. The UN Children's Fund has already airlifted 100,000 doses of typhoid vaccine into Uganda and

. ¹کرچ</sup>ور

.

44.5 ¹

Care L

Server Se

the work. In the meantime, UN agencies are moving emergency medical supplies to Uganda but their work is hampered by anarchic conditions and shortages of fuel and

to put their money and valu-ables on the floor. "It's hard times, hard times, man," the robber said before he fled.

Exchange of Guantanamo

By Ellen Hume

House and State Department offi- nal backgrounds. cials have strongly denied a report

base at Guantánamo if Cuba will take back more than 1,200 exiles. State Department spokesman illegally, U.S. officials said the Cu-Joseph Reap on Saturday called bans are under a special dispensa-the report in that day's Washing-tion. ton Star totally inaccurate. He said the United States is vehemently denying the Star's article. White

House spokesman Sue Mathis also called the Star story absolutely She would not completely rule out, however, the possibility that

some of the Cuban refugees cur-rently detained at Ft. Chafee, Ark., and Atlanta might be sent to the 31-square-mile base on the eastern end of Cuba, where they would re-main under U.S. guard. She said some action may be taken possibly as early as next week.

Many of the refugees still in custody, who were among an estimattheir socks and shoes. Afterward, they were ordered statement.

Strongly Denied by U.S.

ed 125,000 who fled to the United Los Angeles Times Service States by boat last year, have men-WASHINGTON - White tal or physical problems or crimi-

Cuban President Fidel Castro that President Reagan is consider-ing the return to Cuba of the naval lawsuits have been filed to release them in the United States. Although they came to the country illegally, U.S. officials said the Cu-

The Star, paraphrasing a high-ranking administration official, reported that he thought evacuating the Guantanamo naval base would be no great strategic loss to the United States, but would eliminate a propaganda weapon Mr. Castro

has used for 20 years. The Guantánamo base, once a major refueling outpost for ships defending the Panama Canal, is controlled by the United States under a 1906 treaty in return for \$4,000 annual rent. The Cuban Communists have not cashed the rent checks since assuming power, however, and have repeatedly com-plained about U.S. control of the

DOIL. The base is largely outmoded because U.S. warships no longer refuel with coal. The Guantánamo base includes a small naval air stanon, served by 400 Marines and 1.700 sailors

The Associated Press

Michael Kohl, First Representative For East Germany in Bonn, Dies

president of Replogle Globes Inc. of Chicago, died Friday.

BERLIN - East Germany's deputy foreign minister, Michael Kohl, 51, died Saturday after a serious illness, the East German

lin's first permanent representative in Bonn, holding the post from 1974 to 1978.

Luther L Replogle

NEW YORK (NYT) - Luther I. Replogle, 79, who was U.S. ambassador to iceland from 1969 to 1973 and the founder and former

reaffirm its independence of any party or political movement, government, or economic or other interest groups," Inter Press said in a

The Washington Star reported last week that various UN agencies paid \$449,000 this year to the nonprofit cooperative. The Star said this sum was nearly 10 percent of the agency's revenues. The news agency said the agreement with the UN agencies had not been secret.

"The agreements concerned, for the provision of professional services and which commit IPS to writing an agreed number of features on development themes, leave the choice and treatment of stories entirely to IPS, which retains complete editorial freedom - and relains complete editorial responsibility -- over the stories run." it said.

The Fund for Population Activities, the Food and Agriculture Or-ganization, the UN Educational, Scientific and Cultural Organization, and the UN Development Program hold contracts with Inter Press, the newspaper said.

The Star quoted Leonard H. Marks, secretary-treasurer of the World Press Freedom Committee and former director of the U.S. Information Agency, as saying many U.S. journalists believe Inter Press is biased against the West. Inter Press rejected the suggestion.

"It is completely untrue to suggest that IPS is prejudiced against the West. IPS believes that cooperation between the West and the Third World is needed, to tackle the problems of underdevelopment, as witnessed by the North-South dialogue, rather than coo-frontation between rich countries and poor," the agency said.

before Congress. Approval Expected Senior Pentagon officials said that Secretary of Defense Caspar

ministration.

hlueprint for reaching the goal of a 600-ship Navy that the secretary has set. More important, senior naval officers and senior civilian officials

tober, 1982, and does not include

in the Pentagon have consulted closely in drawing up the plan as part of Mr. Weinberger's effort to mesh strategic planning with the procurement of weapons.

Mr. Weinberger and Navy Sec-retary John F. Lehman have re-peatedly asserted that a high prior-ity in the administration's military policy is to regain maritime superiority over the Soviet Union, plus projecting U.S. power to remote areas and protecting trade and

Earlier this year, Adm. Thomas B. Hayward, the chief of naval operations, testified before Congress that the Navy had lost its margin of superiority because the Soviet Union had acquired large numbers of highly capable ships in the last decade.

seemed likely to attract the most of Milan.

attention, the most significant increase in the program was doubling the number of nuclearpowered attack submarines, from 7 to 14, with each to cost \$580 mil-

curement that is intended to meet If those are built, the Navy will President Reagan's goal of attainhave reached its goal of 100 attack ing a clear margin of naval superi-ority over the Soviet Union before the end of this decade. The plan submarines. Some experts in the Reagan administration said that they considered the attack submaincludes two nuclear-powered airrine to be perhaps the most effeccraft carriers, 14 attack submarines tive weapon in the U.S. arsenal.

U.S. submarine technology, they said, is far ahead of Soviet anti-Senior Pentagon officials said that the program, which seems likely to be approved by the ad-ministration with only minor changes, would require about \$120 submarine capability. Moreover, the attack submarine can engage other submarines and surface ships billion in authorized spending over five years as measured in 1982 dolwith torpedoes and can engage surface ships and land targets with Cruise missiles that have either conventional or nuclear warheads.

The Navy has proposed building 143 new ships, compared with the 80 planned by the Carter adminis-The two 95,000-ton aircraft carriers, each costing \$3.3 billion, would be the centers of new battle tration before it left office, and bring four battleships and two small aircraft carriers out of mothgroups, which are the Navy's basic tactical formation. The Reagan adballs. The Navy also has asked for

1,890 aircraft, compared with 1,091 planned by the Carter ad-**Pontiff Chants** Altogether, the plan would be 75 **Taped Blessing** percent larger in numbers of ships, planes and consequent costs than that proposed by the Carter ad-From Hospital ministration last January. The Navy's proposal would begin with the fiscal year 1983, starting in Oc-

The Associated Press VATICAN CITY - Pope John

Paul II chanted his weekly, public hlessing on Sunday for the first the increase in shipbuilding in the fiscal year 1982, to \$10.3 billion from \$6.6 billion, that is currently assassinatioo attempt on May 13. time since he was wounded in an

The pope's voice was clear and steady a day after his doctors reported that his bealth has improved substantially. His eight-minute message and 30-second W. Weinberger was likely to ap-prove the plan because it was a the pope's room at Gemelli Hospital and were played for a crowd of 8.000 tourists and pilgrims at St.

Peter's Square. The 61-year-old pontiff has read messages on each Sunday since he was wounded but had not previously been strong enough to chant the blessing. He has a virus similar to mononucleosis, which he may have caught from massive blood transfusions after be was shot

through the intestine.

The pope made a special greet-ing in his native Polish to a group of Polish pilgrims from Warmia who were led by their Archbishop Jozef Glemp. Some Polish church sources in Rome said they expected that Archbishop Glemp would be named as the new primate of Poland to succeed Cardinal Stefan Wyszynsksi, who died on May 28. Italy's largest-circulation newspaper reported that the pope teleboned Italian President Sandro Pertini on Saturday and told him while the two aircraft carriers while the two aircraft carriers

ministration has said that it wants to be able to deploy 15 such battle groups of carriers and escorting ships.

12 Carriers Ready

Today the Navy has 12 carriers on line, with one in a long overhaul to extend her service life. When it returns to sea, another will be overhauled. With that cycle continuing, the Navy would have 12 available carriers, with one extra training carrier.

There is another carrier, the Carl Vinson, that has been launched and is scheduled for commissioning in 1982, Still another has been authorized, and, with the two new carriers the Navy proposes, would bring the total to 16.

Since it takes about eight years to build a carrier, the Navy has revived its proposal to refurbish two older carriers, the Oriskany and the Bon Homme Richard, a recommendation that has run into trouhle on Capitol Hill before. Some congressmen contend that the money would be better spent on new ships.

The Navy wants to bring back the battleships New Jersey, lowa, Missouri and Wisconsin, all of which are laid up in shipyards, and to retain the three turrets of three 16-inch guns on each ship that can bombard land targets more than 20 miles away.

Missiles Called For

In addition, the plan calls for equipping the battleships with Harpoon anu-ship missiles with a range of 60 miles and Tomahawk missiles that can hit ships from 275 miles away and reach land targets from 1,500 miles.

In a second phase, about five years after the ships have been at sea, the Navy plans to add a flight deck on the aft quarter of the ships to launch belicopters and verticaltakeoff Harrier jets.

The five-year plan calls for increasing the construction of Aegis cruisers, which carry expensive and sophisticated sensors and fir-ing systems, to 17 from 16. It would renew construction of Spruance class destroyers by producing six. And it recommends huilding nine smaller frigates, as against

one in the Carter plan. The Navy's hlueprint includes nine new amphibious ships, as against none in the Carter plan, to give the Marine Corps the ability to transport more than a full division and its accompanying air wing for a forced entry over a hos-

tile beach. The plan envisions building 20 new otlers, two ammunition ships, and a fast combat support ship, and 53 other vessels, such as surveillance ships, cargo vessels, minesweepers and logistics ships.

On the most important substantive change, arms sales by Washington, Taiwan officials say they have received no hints from Wash-

ington.

Taiwan's most urgent request is for a new high-performance fighter plane, the FX, but the country's requests also includes ship-to-ship missiles and anti-submarine equipment. The Taiwan Relations Act authorizes sales of "defensive" weapons to Taiwan, but the Carter administration shelved such proposed sales out of fear of alienating the mainland government.

Premier Sun said in an interview that the FX is of "paramount con-cern" because Taiwan's main fighter plane, the F-5E, is aging and would be unable to cope with a new generation of fighters that are being planned in Peking. He denied contentions that the two sides have reached a balance in their forces.

Taiwan has adopted a policy of not attempting to pressure Presi-dent Reagan publicly on arms sales and other issues. Except for the private assurances on contacts and liaison offices cited by officials, the government in Taipei has had little reason to be pleased with the administration's performance.

> As a candidate last year, Mr. Reagan promised closer relations with Taiwan and denounced the Carter administration for failing to implement fully the Taiwan Relations Act.

Bonn Minister Visits U.S. Reuters

BONN --- West German Interior Minister Gerbart Baum flew to Washington on Sunday for eight days of talks on crime prevention. the environment and nuclear safety. The Interior Ministry said Mr. Baum would sign an agreement prolonging a hilateral treaty on nuclear reactor safety and emergency protection.

DEATH NOTICE

Mrs. Frederick Edward WALCH, his wife. Comte and Comtesse de Saint-Sanveur, his

Son-in-law and daughter, Donine and Armand-Guillaume de S Sauveur, his grand-children, regret to annomce the death of

FREDERICK EDWARD WALCH Part Vice President of W.R. Grace Co., N.Y., graduate of MIT 1924 and also past President of MIT Club of France past President of Van Housen, Holland, past Managing Director of W.R. Grace in France and

Director of W.R. Grace in France and Europe, a Grace Member of the Board of Cotomin, Togo. Memorial service will b: held at 12:30 on Thursday, July 9, at The American Cathedral, 23 Avenue George-V, Paris-8°. by the Very Reverend James R. Leo, Dean. In lieu of flowers donations may be made to the Memorial Fund of The American Cathedral. Cathedral.

. .

. . .

· · --

1

Ross Martin

HOLLYWOOD (LAT) - Actor Ross Martin, 61, best known for his role as Artemus Gordon, the master of disguise in the "Wild, Wild West" television series, died Friday of an apparent heart attack after collapsing while playing ten-nis in 100-degree heat. Born Martin Rosenblatt in Poland, he was brought to the United States by his family when he was 6 months old.

whose notable cases included the defense of Sirhan B. Sirhan, the killer of Robert F. Kennedy, died Friday.



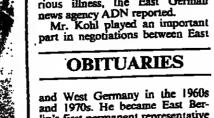
UNDRESSING FOR ROYALTY- Queen Elizabeth,

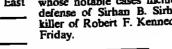
Britain's Queen Mother, is greeted by a four-year-old girl

who suddenly decided to disrobe during a visit to a Toronto

hospital. Louise Remy had to persuade her daughter to

dress up for the Queen Mother, whose tour ends Tuesday.





Emile Zola Berman

NEW YORK (NYT) - Emile Zola Berman, 78, the trial lawyer

transport at sea.

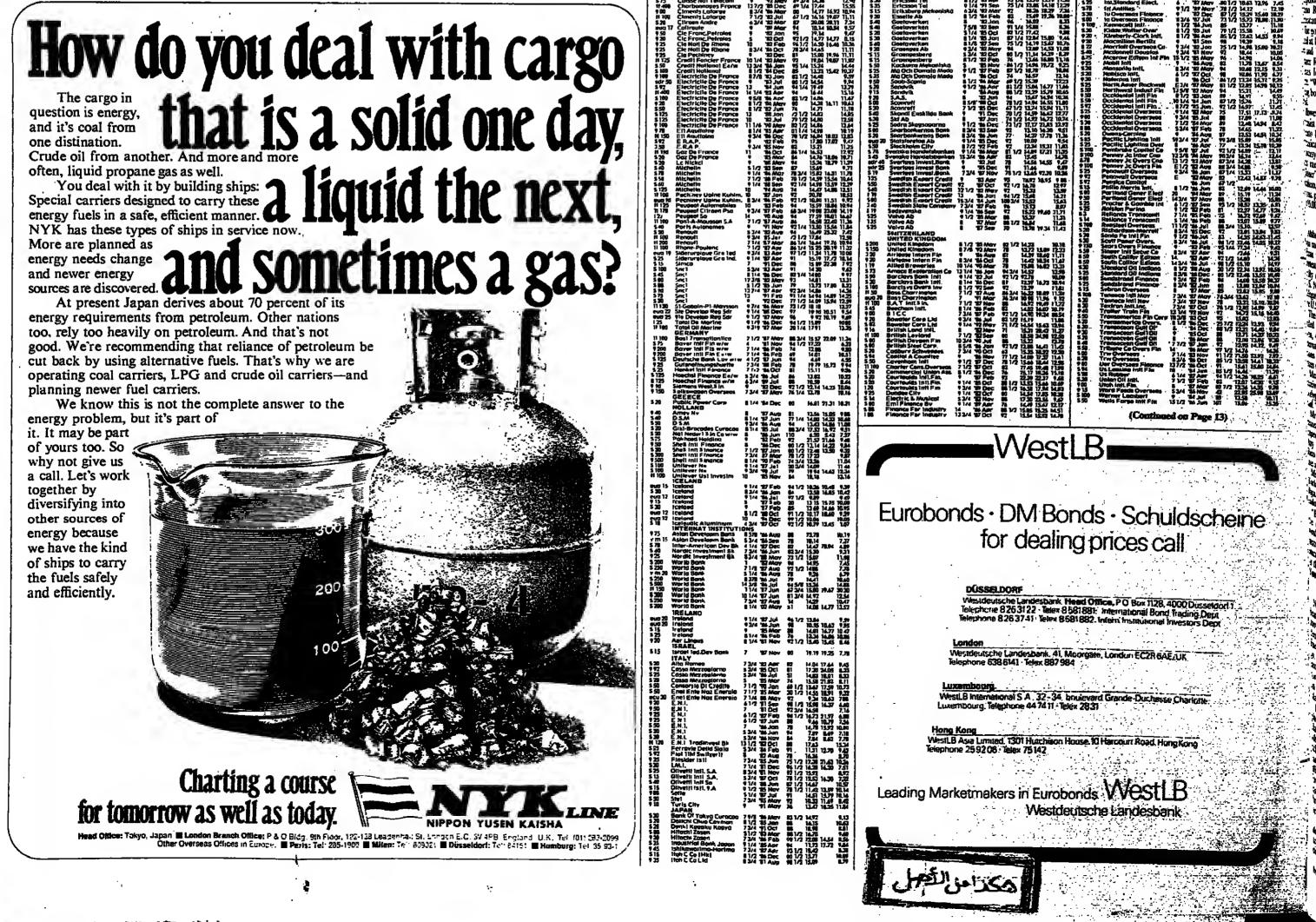
INTERNATIONAL HERALD	RIBUNE, MONDAY, JULY 6, 1981	Vield
Page 6 International Bond Prices – Week of July 2	Ami Securiza % Mai Pricz Mai Lile Curr Ami Security	% Mot Price Mat Life Curr Ami Security
International Donu I nees - woon of going	525 Elb Europa, Invest Bank \$1/2 10 Feb \$2 15.01 11.18 829 Manufaeti Cano. 948 Elb Europa, Invest Bank \$12 10 Feb \$2 15.01 11.18 829 Manufaeti Cano.	24 4 25 Apr 24 1/2 1428 128 115 Indirec Par Industry 12 1/2 19 10 18 1527 162 14 2 8 14 25 Apr 26 12 117 10 11 10 Planner Par Industry 12 1/2 19 10 172 1551 1571 148 8 1/4 25 Apr 86 14 147 15 15 11 11 Flanner Par Industry 15 11 12 157 100 1137 100 1136
Provided by White Weld Securities, London; a Division of Financiere Credit Suisse-First Boston	2 520 Elb Eurosi lovest Bonk 9 / 2 86 Apr 85 / 4 1346 1148 520 Mold All Sul Ock 540 Elb Eurosi lovest Bonk 3/4 9 Apr Ell 11/43 521 Mold All Sul Ock 540 Elb Eurosi lovest Bonk 3/4 9 Adar 841 12/4 14/27 521 Mold All Sul Ock 540 Elb Eurosi lovest Bonk 8/2 9 Adaro 841 12/4 14/27 521 Mold All Sul Ock 540 Elb Eurosi lovest Bonk 8/2 9 Adaro 80 12/4 14/27 525 Mold All Sul Ock 940 Elb Eurosi lovest Bonk 8/2 9 Adaro 80 12/4 14/27 521 Mold Allsol Ock 943 Elb Eurosi lovest Bonk 8/2 9 Adaro 80 12/4 14/27 512 Mold Allson 71/47 945 Elb Eurosi lovest Bonk 8/2 9 Adaro 80 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27 12/4 14/27	Call 7 1/4 34 Aug 81 1/2 11:53 1.51 1.71 1.71 1.71 1.71 1.71 1.71 1.71
RECENTISSUES Ant Security & Mai Price Mat Lile Curr Ami Security	13 215 Europ Invent Book 31/2 17 July 75 11/41427 8.20 5 35 Nilopon Tol/lei 505 215 Europ Invent Book 31/2 17 July 75 11/41427 8.20 5 35 Nilopon Tol/lei 910 217 Europ Invent Book 92/4 17 July 70 1/41513 12.20 510 Orient Leading 41175 Elb Europ Invent Book 71/4 17/Oct 91 14.41 1424 1024 530 Orient Leading 550 Elb Europ Invent Book 17 July 70 Oct 91 14.41 1424 1025 530 Orient Leading 570 Elb Europ Invent Book 17 July 70 Oct 91 14.41 1424 1025 530 Orient Leading 48 570 Elb Europ Invent Book 17 July 17 Oct 91 14.41 1424 1025 530 Orient Leading 49 310 Elb Europ Invent Book 17 July 17 96 14 July 14.52 1427 530 Summeno Heavier 49 310 Elb Europ Invent Book 17 31/4 16 Jon 19 July 1524 1427 530 Toron Industrier 49 7 700 Elb Europ Invent Book 17 34 46 Jon 27 1541 14.00 1246 8 39 Toron Manhot Koth 49 7 7100 Elb Europ Invent Book 17 44 64 July 19 72 13.47 5 50 Toron Manhot Koth	0 1/8 07 Mar 77 1.14 1.23 525 Gold Fields Berninder 1 1/2 18 1 Mar 77 1.14 1.153 1.24 1.25 1.25 1.25 1.25 1.25 1.25 1.25 1.25
Antidile Conv. Conv. Pr Conv. Yfds Sign Austrian Control Bk 16 85 Jul	1.6 5.00 E10 Europi.1.9em/Liser/Biomk 7 E10 Europi.1.9em/Liser/Biomk 9.12 miniterio.1.9em/Liser/Biomk 9.12 miniterio.1.9em/Liser/Biom/Liser/Biom/Liser/Biomk 9.12 miniterio.1.9em/L	ha 2 2/4 12 Apr 11/2 20.55 501 Hometrics Limited. 5 1/2 2 20.60 12 12 12 12 12 12 12 12 12 12 12 12 12
Armt Security Price Parton Offshor Stig Austrian Control Bit 10 B3 Jul Stig Province Of Mamilton 11/1 Stig Austrian Stig Province Of Mamilton 11/2 Stig	Line Y 200 Elit Eurosi investi Bank 03/4 20/21 11 11.4 LUXEMBOUND 100 Elit Eurosi investi Bank 13/4 20/21 13/10 5.20 Elit Eurosi investi Bank 3/4 20/21 13/10 5.20 Sar Fin Eurosi 5/6 100 5.10 Elit Eurosi Investi Bank 03/4 19/24 13/20 13/10 5.20 Sar Fin Eurosi 5/6 107 5.71 Eliti Eurosi Investi Bank 7/12 14/10 13/20 Sar Fin Eurosi 5/6 103 5.90 Eliti Eurosi Investi Bank 7/12 14/10 13/20 Sar Fin Eurosi 5/6 110 5.00 Eliti Eurosi Investi Bank 7/12 11/14 12/20 Saf Matkico 110 5.00 Eliti Eurosi Investi Bank 9/0 7/21 12/14 12/20 Saf Matkico 122 100 Eliti Eurosi Investi Bank 9/0 7/21 12/21 12/21 5.37 Matkico 124 9.00 Eliti Eurosi Investi Bank 9/0 <td>\$100 - 1ct 1044 Pm 71/7 192 Feb 91 7231 14.51 1054</td>	\$100 - 1ct 1044 Pm 71/7 192 Feb 91 7231 14.51 1054
14 2/4 % 1980 Jef 5 91/2 100 1/2 10.45 \$30 Augustaine Company 11 1/4 18 Jon 17 10.24 10.45 915 Prov Of Quebec 10 1/4 16 Apr 41 1/2 14 19 0 0 20 20 20 20 0 0 0 0 0 0 0 0 0 0 0	Int State Elite Elit Elite Elite El	7 1/4 11 Nov 68 13/4 13/2 500 101 11/2 <th11 2<="" th=""> <th11 2<="" th=""> <th11 2<="" th=""></th11></th11></th11>
578 Electricite De France 5 951/4 M1/4 ISAV ond 50 Bonk Of Mava Scalip 151/2 80 Jun 103 14/91 1520 900 Fran Of Quebox 91/2 10 Free 921/2 10 Fr	112 125 126 127 142 <td>1/10 2/14 <th2 14<="" th=""> 2/14 2/14 <th2< td=""></th2<></th2></td>	1/10 2/14 <th2 14<="" th=""> 2/14 2/14 <th2< td=""></th2<></th2>
578 Coless Mit Auforrowies 5 169 Will'e Los ent Conodo 103/4 44.047 #1/3 1537 978 513 Guebec Werroteller 1/3 #1566 781/2 1331 14/9	9.54 9.30 Eurofine 9 17/00 5 11.23 11.00 7.07 9.30 Boullies 0 00 9.00 9.00 Eurofine 6 1/2 22 Aer 71 14 123 11.00 9.12 9.30 Boullies 0 00 11.26 9.30 Eurofine 8 1/2 13 Peb 71 14 123 11.74 129 8.30 Singadore 0.44 9.46 Eurofine 71/2 24 Jan 85, 11.00 9.50 Transpire In	
		9 1/4 11 Nov 97 1/2 1643 4.0 5 4 Read Ball Ltd. 52/4 11 Sam . 14 10 10 10 17 10
San Grei Flammere Nv S 100 martine San Budd Aufonrofitve 9/72 Statur, 91 (210) 16.43 cm525 Rovel Bone Of Canada e v 12 Feb 72 177 1341 14.17 San Weits Forme Intil Fin S 91 1/2 180 15.46 cm520 Canada Permanani Alta 93.4 11 Nov 96 1/2 21 13 9.44 cm540 Rovel Bone Of Canada 10 14 Akav 79 17.24 14.17 San Weits Forme Intil Fin S 91 1/2 180 15.46 cm520 Canada Permanani Alta 93.4 11 Nov 96 1/2 21 13 9.44 cm540 Rovel Bone Of Canada 10 14 Akav 79 17.24 14.17 San Weits Forme Intil Fin S 91 1/2 180 15.46 cm520 Canada Permanani Alta 93.4 11 Nov 96 1/2 21 13 9.44 cm540 Rovel Bone Of Canada 10 14 Akav 79 17.24 14.17 San Weits Forme Intil Fin S 91 1/2 180 15.46 cm520 Canada Permanani Alta 93.4 11 Nov 96 1/2 21 13 9.44 cm540 Rovel Bone Of Canada 10 14 14 14 14 14 14 14 14 14 14 14 14 14	14.13 25.25 111 25.25 111 25.25 111 25.25 111 25.25 111 25.25 111 25.25 111 25.25 111 25.25 111 25.25 111 25.25 111 25.26 111 25.26 111 25.26 111 25.26 111 25.27 111 25.27 111 25.27 111 25.26 111 25.27 111 25.26 111 27.27 27.26 35.00 New Zacional 12.24 5.100 Finisand 9 12.24 5.00 New Zacional 12.44 15.20 17.28 5.00 New Zacional 12.24 5.100 Finisand 111.27 12.47 12.41 13.44 13.24 13.24 13.25 5.10 New Zacional 12.25 5.25 Finisand 13.24 12.47 12.48 14.32 12.45 14.32 12.45 14.32 12.45 14.32 12.50 14.32	9/14 10 17.05 17.25 17.25 12.27 12.26 12.47 12.26 12.47 12.
Vision State State <t< td=""><td>BLL BLL BLL</td><td>Bit Start Start</td></t<>	BLL	Bit Start
S29 Unintegen City S44 S45 Consider Not Realized S44 S44 S44 S45 Consider Not Realized S44 S44 S44 S45 Consider Not Realized S44 S44 S45 Consider Not Realized S44 S44 S45 Consider Not Realized S44 S44 S44 S45 S44	10.M 00.0 <th< td=""><td>C6 S1/4 C5 C6 S1/4 C7 C7/4 C6 S1/4 C7/4 C7/4</td></th<>	C6 S1/4 C5 C6 S1/4 C7 C7/4 C6 S1/4 C7/4
S40 Feb Stablesson Feb Stablesson S40 Feb Stablesson S40 Feb Stablesson S40 Feb Stablesson S40 Feb Stablesson S50 Consolitan Pacific 91/4 93/4 12/4 12/4 12/3 12/4 <	11.27 \$ 520 Extended of 12.37 14 16 1878 \$ 150 Normer	TAT THE POLE TO THE UNITED STATUS AND TA STORE 14 15.04
dm 108 Belgetechtic Fridmicks 5 7 Constant C	1537 M 110 Access De Ports 18 17 2 Aug 14 17.0 18.35 18.00 930 Norwey	C 2 16 MOY B 7 2 15 16 16 16 12 16 16 16 16 16 16 16 16 16 16 16 16 16
5.90 Histom Weither Heideling 9 10.9 10.17 10.2 10.2 11.2 Provide Trubles Luis 11.2 Provide Trubles Luis 11.4 11.4 11.4 11.4 11.4 11.4 11.4 11.4 11.4 <	107 107 107 107 107 107 107 107	1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2
STRAIGHT BONDS STRAIGHT BONDS	1 1 2 1 10 46 10 45 10 15 1 17 1 HOFPER NOTITION	MOTOWIN T IS 11 11 11 11 11 11 11 11 11 11 11 11 11
Amit Security & And Price And Life Curr	1 9.72 10.7 12.2 00 20.4 30.45 10.06 9.72 Norrele Kommung 8.51 5.30 Ind Mining Dev Bank 9.1/4 131 Feb 10.4 30.45 10.06 9.72 Norrele Kommung 8.51 5.30 Ind Mining Dev Bank 9.1/4 131 Feb 10.4 32.47 7.42 5.50 Norrele of A 9.51 5.30 Refinalit 4.1/4 32.60 19 18.48 32.47 7.42 5.50 Norrele of A 9.51 5.20 Soc Fin Europs Ste 7.1/4 32.00 19 18.38 8.31 8.42 5.50 Norrele Horitor 9.53 Soc Caster Metzballorne 3.1/4 47.10 17.0 17.28 2.33 5.60 Norrele Horitor 9.73 SSE Coster Metzballorne 3.1/4 47.00 17.10 17.20 18.62 2.50 Norrele Horitor 9.74 SSE Coster Metzballorne 3.1/4 47.00	Interfloam 1/2 <th1 2<="" th=""> 1/2 <th1 2<="" th=""> <th1 2<="" td=""></th1></th1></th1>
	5.10 5.20 Mossey-dergustan 9 72 10 50 Monster-dergustan 9 72 10 50 Monster dergustan 60 70 70 70 70 50 Monster dergustan 60 70 70 70 70 50 Monster dergustan 60 70 70 70 70 50 Monster dergustan 60 70	medbank 8/2 7/2 <th7 2<="" th=""> <th7 2<="" <="" td=""></th7></th7>
Amil Security Initial Fills Fills </td <td>AT DICHEST VIELDS</td> <td>11/4 11/4</td>	AT DICHEST VIELDS	11/4 11/4
additionitio 1/2	0 A Information 1 1 0 2 0 2 0 2 0 2 0 2 0 2 0 2 0 2 0 2 0 2 0 <th0< th=""> 0 <th0< td=""><td>1/4 1/4</td></th0<></th0<>	1/4 1/4
\$123 Australia 81/8 21/8 40/3 10/1		rake 5/8 17 Aug 7/9 1/2 123 143 1211 022 Continential Tellint. 1/4 18 Mar. 17 114 1149 1359 5 14 Mar. 84 1225 1545 458 5 5 14 Mar. 85 1225 1545 458 5 5 5 14 mar. 85 11.97 1553 424 725 1000 Content of 11 11 11547 1000 5 15 Cutter Hammer Lett. 5 12 Jun. 85 12.07 14.07 1000 5 15 Cutter Hammer Lett. 5 12 Mar. 18 120 11.1547 1000 5 15 Cutter Hammer Lett. 5 12 Mar. 18 120 11.1547 1000 5 15 Cutter Hammer Lett. 5 12 Mar. 18 120 11.1547 1000 5 15 Cutter Hammer Lett. 5 12 Mar. 18 120 11.1547 1000 5 15 Cutter Hammer Lett. 5 12 Mar. 18 120 11.1547 1000
Still Australia Still Total is a stratige Still Total is a stratige Total is a stratis stratis Total is a stratige		S1/4 19 Feb 17 12 11 12 12 12 12 12 12 12 12 12 12 12
500 Alcon Austrolia Lid 51/2 12/4 12/2 1	*** *** <td>Trooms Safe Extend of finance 11 Total Total</td>	Trooms Safe Extend of finance 11 Total
B30 Austration Res Dire Margen 12 B30 (a) Austration Res Dire Margen 12 B30 (b) Constraint (b) B30 (b)	30 2/2 1.77 Addiser-Fergusion 9 1/2 11 Jun 58 20.72 17.97 930 Escont 0.78 12.76 5.77 Addiser-Fergusion 9 1/2 91 Jun 58 70.71 517 Escont 518 Escont Adv 517 Escont Escont Adv 517 Escont Escont Escont Escont Escont Escont Escont Escont Es	RHCA 97/6 the Aurop #2 14.25 11.20 5.00 Generative Uncertainty = 41/4 75 Dec 74 12/8 12/8 12/9 12/8 12/9 12/9 12/9 12/9 12/9 12/9 12/9 12/9
938 Austrometer Res Den (st. 13 36 Mar H 14 July 1120 532 Manufacture Memoranisms 81/4 tol Mar y (1/2) (1/2) 47/2 11/2 tol July <	15.47 543 Pochfic Lipsting Intil 15.07 15.07 15.07 15.07 15.07 Pochfic Lipsting Intil 16.07 15.07 Pochfic Lipsting Intil 16.07 15.07 Pochfic Lipsting Intil 16.07 15.07 Pochfic Lipsting Intil 16.07 Pochfic Lipsting Intil 16.07 Pochfic Lipsting Intil 16.07 15.07 Pochfic Lipsting Intil 16.07 Pochfic Lipsting Intil 16.07 15.07 Pochfic Lipsting Intil 16.07 15.07 Pochfic Lipsting Intil 17.07 15.07 Pochfic Lipsting Intil 17.07 15.07 Pochfic Lipsting Intil 17.07 1	RHCA 97/7 97/8 1428 1123 <th< td=""></th<>
	152 17.44 5 180 Vertragistelia 136 12.71 5 180 Vertragistelia 130 12.79 Kolinia 5 180 Add 12.44 11 120 Air Fromcé 11 137 12.55 16.01 17 19.28 18.1/4 137 12.55 16.01 Air Fromcé 11 49.00 137 12.55 16.01 Air Fromcé 11 49.00 137 12.55 16.01 Air Fromcé 11 49.00 138 12.71 12.75 16.01 15.35 138 12.71 12.75 15.35 15.35 138 12.71 11.72 12.75 15.35 138 12.71 12.75 12.75 12.75 138 12.71 12.75 12.75 12.75 139 12.75 12.75 12.75 12.75 140.00 12.	Number Number<
\$20 Hommersder from Fin • ************************************	Land Lizzi Hild Lizzi Landter Lizzi Landter Lizzi Landter Lizzi Landter Lizzi Lizzi <thlizzi< thr=""> Lizzi Lizzi</thlizzi<>	7 17 Jul 89 4.6 1000 7.07 536 Gie Finance NV
Site Descriptional Alumina 1/2 15 Mar 48 1/2014	178 17.00 B.F.C.E. 9 17.07 11.01 513 Petrator ADV 520 B.P.C.E. 9 190 Mor 71/2 12.41 513 Petrator ADV 520 B.P.C.E. 9 190 Mor 71/2 12.44 5.03 11.61 513 Petrator 8.14 530 Banque Not.De Poris 75.75 12.10 90 10.45 0.47 5.90 Samte Rod 5.12 5.90 Samte Rod 5.12 5.90	octandi 9 1/4 12 Delic 11 20 225 Gutt & Western Intl 9 7/4 16 Jun 21 13 11 12 12 7 1/2 12 Junt 93 15.4 8.0 9 15 Noss Overseos Cost, J. 5.14 16 Jun 51 12 17 JA22 10.29 9 Junt 93 15.4 10.11 15.7 15.5 Noss Overseos Cost, J. 5.74 17 Jun29 10.11 10.11 9 Junt 927 18 12 Aug 15.01 10.17 51 5 Hitten Intell Cost, and F. 7.74 12 Nov 94.17 241 15.10 9.01 9 Junt 92 Junt 93 Junt 15.15 15.25 53.50 9.01 10.11 10.11 10.11 10.11 10.11 10.11 10.11 10.11 10.11 10.11 10.11 10.11 10.12 14.01 10.01 10.02 14.02 14.01 10.01 11.02 14.02 14.01 10.02 14.02 14.02 14.02 14.02 14.02 14.02 14.02 14.02 14.02 14.02 14.02 14.02 14.02 14.02
AUSTRIA 61/4 12 Aler 72 19.50 19.52 7.34 51/3 Destario Hydro 9 17/2 And 17/2 Aler 12/3 Eiß Europ.invest/Bank 61/2 12 Feb 17/2 12 Feb 17/2 12 Feb 12/3 Eiß Europ.invest/Bank 61/2 12 Feb 17/2 12 Feb 12/3 12	II 125 COISSE NOT, TELECOTO 7 1/2 TIL MOR 81 1/2 14.34 71.30 928 5 20 CITY OF GOIN	1/2 2/2 <th2 2<="" th=""> <th2 2<="" th=""> <th2 2<="" th=""></th2></th2></th2>
	8 20 Cotase Holf, Telecont 8 164 Mater 70 14.21 18.22 11.27 5.25 Enfection Telecont 9 100 Cotase Holf Telecont 9 1/2 14.29 12.77 17.19 5.25 Enfection Telecont 9 75 Cotase Holf Telecont 0 1/4 19.00 14.29 15.77 124 15.97 5.20 Enfection Telecont 9 75 Cotase Holf Telecont 0 1/4 19.00 17.27 18.20 12.77 13.41 12.97 5.20 Enfection Telecont 9 75 Cotase Holf Telecont 0 1/4 17.00 14.27 12.77 13.41 12.79 5.30 Enfection Telecont 9 76 Cotase Holf Telecont 0 1/4 17.40 14.71 14.27 13.55 5.35 Enfection Telecont 9 70 Citate Holf Telecont 8 3/4 16.40 17.17 14.17 14.27 13.40 5.35 Enfection Telecont 9 700 Citate Holf Telecont 8 3/4 17.20 14.71 14.77	1/1/1 1/2 <th1 2<="" th=""> <th1 2<="" td="" th<=""></th1></th1>
	H 100 Climent's Latarige 71/2 12 Jul 67 1/2 16 16 1907 17,11 920 Essette Ab \$20 Climent Andre 61/4 12 Mar 17 20,06 2011 724 \$40 Goeloverker wal 17 Colfronte 9 78 Mar 94 10,44 10,54 9,57 \$40 Goeloverker	0 1/4 47 Sen 75 / 1/4 12.46 14.18 12.29 12.4 77.6 141 Antilities 9 1/2 17.9 Mory 78 1/2 12.21 12.10 6 1/4 47 Mary 72 16.23 17.0 141 Antilities 9 1/2 17.2

......

active and a second sec

North North North North North

.





San Juan Bay at sunset: "This country has so much beauty....

Country, Colony — or Something in Between?

EVITTOWN - Juan Hernandez Ferrer, a grocer in New York, moved hack to Puerto Rico after 17 years on the mainland. He settled in Levittown, a sprawling subdivision outside San Juan, where the Kennedy Elementary School, the Kentucky Fried Chicken outlet and the Little Leagues made his family feel at home. He opened a store, and its sign read not "Mercado" but "Food Center" because, he said, "that sounds more American."

Yet ask him why he returned and he says: "You love your country no matter where you are. When I arrived here, I would get np at 4 every morning to drive along the ocean and watch the sun rise. This country has so much beauty.

Puerto Rico: country, colony or something in hetween? It is the question that obsesses this Carihbean island, conquered by the Spaniards in 1508, by the Americans in 1898 and, since 1952, designated by the U.S. Congress as a commonwealth."

Puerto Ricans are U.S. citizens. They use the U.S mails, U.S. currency, U.S. Social Security and U.S. welfare. Yet residents do not vote in U.S. elections or pay federal taxes, and many Puerto Ricans on the island, like Mr. Hernan-dez Ferrer, think of themselves as a distinct nationality living in their own country.

Polarized Society

The result is a political and cultural identity crisis that has polarized this Spanish-speaking society perhaps more than at any time in its history.

The governor's press secretary, a Chicagoan named George McDougall, is incensed when journalists refer to Puerto Rico as a "country," and reminds them gruffly that "Pnerto Ricansare Americans.

Ruben Berrios Martinez, the leader of the Independence Party, counters: "There may be Puerto Ricans who think of themselves as is. They need a psych

parading through the streets to re-enact the Stations of the Cross. An electric-blue Mazda led the way as a white-robed nun in the front seat sang "Cristo Rompe Las Cadenas" — "Christ Broke the Chains" — through huge loudspeakers on its roof. The crowd of informally dressed adults and children walked down Levittown Boulevard, past Coca-Cola signs and beauty supply shops, bolding a large crucifix and reciting, "Lord have mercy upon 115."

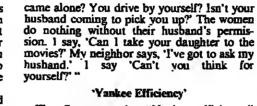
Painful Transition

Andres Serrano, one of 13 children of a factory worker, left Puerto Rico to find work in New York when he was 20. He returned 20 years later after a career in the Air Force. The transition was painful.

"The kids who come back are in nobody's land," he said. "They are looked down upon because they're not American and they're not Puerto Rican. The teachers make fun of their accent in Spanish. My oldest son was 12 when we came. He never did adapt. He got into drugs. After high school he went back to the States for good."

Andres' wife, Ana, Puerto Rican-born and Bronklyn-hred, feels estranged from her Puerto Rican neighbors, "I can't get used to their customs." she said. "I feel funny around them. If you don't wear certain shoes you're out of it. They think I'm an oddball because 1 walk around the house in tennis shoes. They can't

believe 1 don't watch the soap operas. "When 1 go to a PTA [Parent-Teachers Association] meeting, the wives say, 'What? You



Signs in local bars often say: "In this establish-

(Continued on Page 8S)

The Serranos miss "Yankee efficiency," complaining that one cannot adjust a utility hill in Puerto Rico without going down to the company and waiting in line for hours. When the gubernatorial election was in dispute, no one went to work at city hall and the garbage in Levittown was not collected for a week.

bean seeds by hand, "Sometimes, I make \$1,000 a year," said Mr.

Mr. Melendez Caraquillo wishes that the government would help him irrigate his land, or lend him money for a tractor. But the gov-

ernment, he says, "only helps the rich." Puerto Rico is an investment paradise for U.S. corporations. U.S. firms get a 100-percent tax exemption from the U.S. Congress for sub-sidiaries in Puerto Rico. The program, which began in 1948 as "Operation Rootstrap." is an began in 1948 as "Operation Bootstrap." is an effort to make this impoverished American territory "a showcase for democracy."

Today, a lively debate is taking place as many Puerto Ricans begin to reassess that development scheme critically, questioning whether the benefits have "trickled down" from the companies to the island or instead have trickled disproportionately across to the mainland.

Imported Food

In the last three decades, as farmers went to



A SPECIAL SUPPLEMENT

Contrasts Are Sharp In Island's Economy

By Margot Hornblower ington Post Service

DRA - In an industrial park, circled by flowering bougainvillea and banana trees, the technicians of Waters Associates, a \$100-million multinational corporation, work in the air-conditioned quiet of a new factory. Rows of white-jacketed Puerto Ricans fash-

ion scientific instruments. They earn an aver-age of \$14,000 a year plus medical, dental and life insurance, profit-sharing and tuition assistance benefits

The Waters plant, one of 32 huilt in this rural mountain town, is part of what govern-ment officials in Puerto Rico call an economic miracle. Puerto Rico, for decades a forgotten colony of the United States, is poorer than Mississippi, the poorest U.S. state. But with \$21 billion in U.S. investment, this tropical island has achieved a per-capita income higher than that of any Latin American nation except Venezuela, which is rich in oil. Today, Puerto Rico touts itself as a triumph of exuberant capitalism, a model for underdeveloped countries everywhere.

Down the road from the Waters factory, however, beyond a Pepsi plant and a Smith, Kline & French pharmaceutical complex, the underside of this economic miracle is obvious to any passer-by

Rusty Plow

On a steep hill, Antonio Melendez Caraquil-lo, 41, shouts guttural endearments to a pair of oxen as his rusty plow lurches unevenly through a tobacco field. On another section of the 10-acre farm, Mr. Melendez's three brothers, sweating under the hlazing sky, are sowing

Melendez Caraquillo, who has seen the num-ber of local farmers dwindle from about 3,000 to about 200. Now he and his wife and four children survive on \$232 a month in U.S. food stamps

A lively debate is taking place over the program that makes the U.S. *territority an investment* paradise for U.S. corporations.

mainland banks - and almost one-third of the work force is on the public payroll. Mean-while, 55 percent of Puerto Ricans collect food stamps, a situation that many people say has created a pervasive mentality of dependency.

Politicians in Puerto Rico tend to look at the hright side. "Our island stands in dramatic contrast to Cuha as a model for developing countries throughout the Caribbean and Latin America," Gov. Carlos Romero Barcelo told a Senate committee recently. "Less than 50 years ago. Puerto Rico was known as 'the poorhouse the Caribbean.' The level of poverty was shocking. Today we have the highest standard of living south of the Rio Grande."

Puerto Rico's industrial roster is a who's who of U.S. companies, from Allied Chemical, Anaconda and Avon Products to U.S. Steel, Wang Laboratories and Westinghouse.

Per-Capita Income

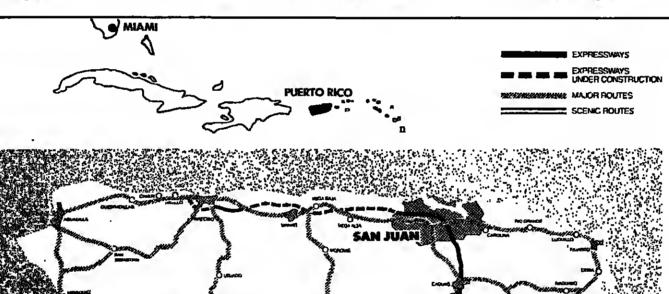
Per-capita income grew from \$278 in 1948 to \$2,934 in 1979. Life expectancy rose from 46 to 74 years, slighty above the U.S. average. Until the oil embargo and the 1974 recession, the growth rate was one of the highest in the world, 6.1 percent a year.

However, Jaime Santiago, former director of the hudget on the island and a respected University of Puerto Rico economist, said, "Puerto Rico is living today under a mirage of econom-ic affluence [while] is real economic sectors are in deep trouble.

Only U.S. federal funds, he said, "have prevented the collapse of the island economy .A new economic strategy is badly needed to put the economy on the path of a strong self-sustained growth. This will require a substantial change in the economic and political relations between the island and U.S."

In what critics call "growth without develop-ment," the 2,500 U.S. factories in Puerto Rico import raw materials, export the manufactured products and transfer profits to the mainland, providing little long-term investment in the internal economy.

Until two years ago, U.S. companies received a 100-percent exemption not only from federal taxes, hut from Paerto Rican taxes. Now Puerto Rico gives exemptions of 75 percent to 90 percent on local taxes. The story of the Waters plant and, more broadly, the effect of industrialization on the town of Cidra, is the story of Puerto Rico in microcosm.



The governor, Carlos Romero Barcelo, educated at New England's Phillips Exeter Academy and Yale University, and married to the former Kathleen Donnelly of Baldwin, N.Y., yearns for Puerto Rico to become the 51st state. "We ourselves feel no ambiguity about being both Puerto Ricans and Americans" he said

However, when Gov. Romero Barcelo tried to insist that the U.S. flag be flown next to the Puerto Rican flag at the opening of the Pan American Games in 1979, an island-wide controversy crupted. The Stars and Stripes was not raised, and when the "Star Spangled Banner" was played before the Puerto Rican anthem, it was drowned out in a chorus of air horns, police whistles and boos from the crowd of 35,000.

12

Continuous Protests

Although independence parties have never won more than 6 percent at the polls, Puerto Rican nationalism thrives also in continuous protests against U.S. military exercises, especially on the island of Vieques, a target for U.S. Navy practice. Puerto Rico sent its own delegation to the Moscow Olympics in spite of the U.S. boycott.

The 1980 Puerto Rican elections further divided the island. Gov. Romero Barcelo barely von, 47.2 percent to 47 percent, over Rafael Hernandez Colon, who favors a more autono-mous commonwealth status. The legislative races were equally close.

Meanwhile, Mr. Hernandez Colon has received death threats and is protected by 12 bodyguards. "The situation is very tense," he "People are very polarized." said.

Mr. Berrios Marinez warned: "There are thousands of Puerto Ricans determined to impede assimilation by any and all means ... Any serious attempt at incorporating Puerto Rico as a state would unquestionably precipitate a wave of violence."

Mr. Hernandez Ferrer, the former New York grocer, is now mayor of the city of Toa Baja, which includes Levittown and which has endorsed statehood.

"But if independence came tomorrow, under the democratic flag of the United States, I would accept that just as well," he said. Like most Puerto Ricans he is frustrated by the political limbo. "What I don't want is to remain at the edge of the river. Do I cross it or not? You must reach a decision.

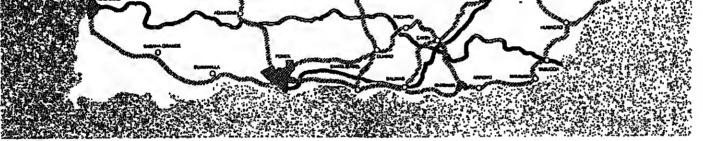
'New Yoricans'

Nowhere are the cultural ambiguities of being Puerto Rican more evident than in Levittown, where two-thirds of the 25,000 residents are "New Yoricans" or "Neoricans" -Puerto Ricans who migrated back from Chica-go, Baltimore and Miami, but mostly from Brooklyn, the Bronx and other New York boroughs. About 2 million Puerto Ricans live on the mainland, against 3.2 million on the island, and migration is continuous both ways.

Levittown reflects the sometimes schizophrenic lifestyle. Its schools give bilingual classes to Neoricans who cannot speak Spanish. and fights have broken out in the high school between the "bilinguals" and the "reguwho make fun of them. With its lookalike, flat-roofed houses on small patches of lawn, it resembles Levittowns everywhere, but its carpet outlet advertises "Wholesale Alfomhras" and at Christmas the multicolored lights are strung on palm trees.

Despite the Americanization, Mr. Hernandez Ferrer said, "We're impatient to revive traditions - especially the newcomers. We

come hack hungry for the things of the past." On Good Friday this year, Levittown brought back the island's ancient custom of



evaporated, making it dependent on imported food, despite an ideal climate and rich soil.

The promise of plentiful employment never materialized as more agricultural jobs were wiped out than the new, largely capital-inten-sive industries could provide. During the 1950s and 1960s, about 700,000 islanders, nearly one-third of the population, migrated to the mainland. Of those who remain, 30 percent to 40 percent are unemployed or have given up looking for work. The Puerto Rican govern-ment is deeply in debt — it owes \$7 billion to

Hefty Incentive Package Lures Investment Funds

By Linda Bernier

CAN JUAN --- If Puerto Rico has developed into the economic showcase of the Caribbean, it is primarily because of its special relationship with the United States and its program of industrial development, which has attracted U.S. investors and, in recent years, the interest of foreign investors.

The oil crisis and worldwide economic recession, Puerto Rico's uncertain political status and some economic proposals of the Reagan admininstration may have dampened Puerto Rico's investment climate, but many local economic planners and businessmen say that the island still has much to offer.

Puerto Rico's appeal is based on a highly skilled labor force, an attractive tax incentive program, duty-free entry into the U.S. market, well-developed industry services, a prime loca-tion and a sophisticated banking and financial sector with no exchange risk.

About 70 percent of Puerto Rico's total investment comes from outside the island. 90 percent of it from the U.S. mainland. Most of - about 70 percent - is in the manufacturing sector. The rest is in construction, real estate and commerce.

A few foreign companies - from Japan, West Germany, Belgium, France, Switzerland and particularly Spain in the last few years have been establishing operations on the is-land. But government officials believe that for-eign businesses are basically unaware of the investment opportunities, so they are planning to promote investment more actively abroad.

'Part of the U.S.'

"Some foreigners don't even know that Puerto Rico is a part of the U.S., using the U.S. dollar as currency," a Puerto Rican basissman said.

Charles Ramos, who heads Merrill Lynch, Pierce, Fenner and Smith in Puerto Rico, said: "Puerto Rico is a great place from which to penetrate the U.S. market. If the Japanese would produce their cars here, they might not have the export prohlems they do."

Net capital inflow has been steadily increas-ing, from \$250 million in 1963 to \$882 million in 1970, \$1.5 billion in 1977 and \$2.16 billion last year.

The average hourly wage in Puerto Rico is about \$4.15. But Burt Finn, the governor's economic adviser, noted that the average hourly rate is twice as much in the United States, and that skilled labor in Puerto Rico is 10 percent to 20 percent more productive and has a lower absentee rate than in the United States.

Prime Stimulus

The prime stimulus of private investment in the manufacturing sector in recent years has been the Industrial Incentives Act of 1978. It provides exemptions from corporate income and property tax up to 90 percent, depending on the period of investment and the location of the plant. A 10-year extension, after the initial 20- to 25-year investment, is offered, with the exemptions ranging from 35 percent to 50 per-cent, depending on location.

Also offered are production worker payroll deductions, which reward high wage and employment operations, deductions of the first \$100,000 of profit, reduced tollgate taxes, a 100-percent exemption from municipal taxes and special incentives for investors in the hotel, service, textile, apparel and leather industries.

Untapped Market

In addition to continuing the development of a permanent industrial base and increasing its integration with more consumer products, the government has set certain priorities for investment, Mr. Finn said.

Among these are investment in high technology, which has a very fast growth rate, pays higher wages and provides opportunities for an increasingly skilled and educated work force; investment in tourism, into which the government, through the Puerto Rican Industrial Deelopment Corp., has poured about \$100 million; and investment in the agricultural sector. The government finances 80 percent to 90 percent of investment in agriculture. Many believe that this sector could become attractive to private investment with the development of winter fruits and vegetables for the U.S. East Coast market, flower, coffee and rice producnion, and food processing.

Another untapped market, noted Julio Pietrantoni, president of the Government Development Bank, is the service sector - hanking, finance, insurance, tourism, trade and commerce.

"A lot of banks followed their clients here and we have legislation allowing them to es-tablish offshore activities," Mr. Pietrantoni said, "But since the Federal Reserve Board opened these activities to U.S.-based banks this year, much of the impetus has been taken away

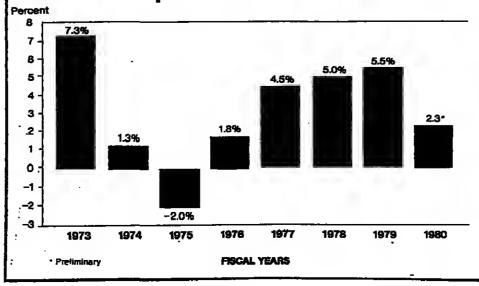
He noted, however, that the government is considering removing restrictions so that non-U.S.-incorporated banks could operate in Puerto Rico outside the Federal Reserve Sys-

Last year the government initiated a 10-year program designed to develop Puerto Rico as a major free-trade zone, where companies, paricularly those already manufacturing oo the island, could house and distribute their goods throughout the region without paying taxes or customs duties to Puerto Rico.

The government has invested \$10 million to \$15 million this year to develop a 25-acre tract of land in the San Juan metropolitan area for the free zone. By 1982 the area will be ready to house the large multinationals that have expressed interest in the project. No firm commitments have been made, however.

Total government investment is expected to reach \$150 million to \$200 million, including the establishment of a \$17.3-million international trade center, said Mr. Pietrantoni, add-ing that it is hoped that government invest-

Annual Expansion in Real Gross Product



ment will stimulate private investment in the project even further

Merrill Lynch's Mr. Ramos said, "Puerto Rico, with its location, bilingualism, sophisticated management and financial services, could be a jump-off point for business operations in Latin America."

So far, however, investment has not been growing at past levels. Plant promotions dropped 26.8 percent in July-February, 1980-81, from the same period in 1979-80. The number of plant openings declined from 75 to 63 for the same periods.

The growth of investment peaked in 1972, after which the oil crisis and world recession had a dampening effect, said Muguel Rivera Rios, president of the Puerto Rico Planning Board. "Although the prospects are not so bad, they are not as rosy as in the past and I am reluctant to be ton optimistic in the face of stiffer competition," he said.

The competition is coming not only from neighboring countries but from states in the United States that have been developing their own industrial incentive programs.

And Puerto Rican government officials and businessmen said that President Reagan's proposals to provide tax breaks and inceptives to stimulate investment on the mainland could also temporarily dampen investment interest in Puerto Rico. In the long run, however, some believe that a revived U.S. economy could only benefit Puerto Rico's economy and investment climate.

Terrorism, Oil Costs

Mr. Rivera said that other problems contributing to the slowdown in the rate of investment are terrorist attacks by Puerto Rican nationalists, high energy costs — Puerto Rico is 99-percent dependent on imported oil — and a certain deterioration of the work ethic caused by the improvement in living standards.

According to Mariano Mier, president of the Banco de San Juan, "Investment had been very good until the elections fin November, 1980]. Since then the government has been paralyzed.'

Because of the close elections and the ensuing political uncertainty, he said, "companies who were thinking of expanding are taking a wait-and-see attitude. The government should forget about politics and get back to work." A decision on political status — excluding

the independence option - would certainly have a positive effect on investment in Puerto Rico, Mr. Ramos of Merrill Lynch said. He noted that the island's high energy and transportation costs, and the fact that its secondary service sector is not as extensive as the United States', can present problems for certain types of investors. But, he said, "compared with other countries in the region, Puerto Rico is a paradise. And there is still a lot of growth potential here "

1

Six-Lane Highway

Cidra, once one of the poorest towns on the island, is now among its fastest-growing. A 45-minute drive from San Juan along a six-lane highway. Cidra has a population of 30,000 nestled in green hills where coconut palms grow wild and tropical flowers line the roadsides. The main plaza, lined with giant laurel trees,

was a picture of modest prosperity on a recent Sunday. Women in designer jeans and stiletto heels, men with open-collar shirts, and children in white patent-leather shoes spilled out of the doorways of the packed church, as the priest said mass over a microphone.

The aisles of the Super Farmacia San Jose were stuffed with Pampers diapers, Gillette shaving cream and comic books entitled "Popeye El Marino." Across the street, the Super-mercado Miguel Self Service advertised "Queso Borden" and "Spaguetti Boy Ar Dee" in its window next to a sign saying "Aceptamo Cupones."

A funeral procession of emerald-green Cadillacs loaded with flowers wound through the narrow streets of hrightly painted houses to the plaza where, in the usual weekend ritual, carloads of teen-agers circled, listening to loud rock music

A few blocks away, teams of blue- and yellow-uniformed men played the Puerto Rican national sport, haseball.

30 Years Ago

Marcola Colon, 63, remembers how it used to be in Cidra. Thirty years ago, this was sugarcane country. Men worked from 6 a.m. to 6 p.m. for \$2 a day. Children died from rickets and worms. When people went to the doctor,

(Continued on Page 9S)



Gov. Carlos Romero Barcelo

PUERTO RICO

Officials Troubled by Increase in Crime

SAN JUAN — After the ques-tion of political status, one of the major topics of discussion in Puerto Rico is the crime rate.

Page 8S

"It's terrible," people say. "You can't go anywhere. There isn't a most large U.S. cities. person I know who hasn't been robbed or mugged."

San Juan homes are covered with wrought-iron grills, oot only for decoration but for protection. Bars are on the windows. Locks and double locks are on the doors.

"I remember when you could go anywhere alone at night," recalled a businessman who grew up in Puerto Rico and now visits the island frequently. He was robbed while filling up his car at a city

gasoline station. "Now it's getting Rico has the second-lowest crime to be like New York," he said. Actually, the crime rate in Puerto Rico is not at all as bad as in New York, or, for that matter, according to the FBI.

Not Much Consolation According to the FBI's latest uniform crime report, in 1979 San Juan had the lowest crime rate of 22 U.S. cities with a population of 1 million to 2 million. San Juan had 3,834 "type one" crimes (murder, rape, assault, theft) per 100,000 people, while Miami, with the highest rate, had 9,000 crimes per 100,000.

PLIENTO RICO PORTS AUTHORITY:

Compared with states, Puerto years.

Police Superintendeot Desidero Cartagena said he believes that rate in the United States, after West Virginia. The island had this increase was due to a lack of police officers assigned to crime 2,544 crimes per 100,000 people, fighting during an election year: Extra personnel were assigned to The figures, however, are not much consolation to people on an

cover meetings, demonstrations and other election activities. island so small - 111 miles by 36 miles — that it is hard to escape John Fucile, a former city counthe problem. More than 50 percent cilman and civic leader, said that of Puerto Rico's crime occurs io there are not enough police officers in any case. Puerto Rico has the poorer sections of the metroabout 10,000 police officers, or politan areas. according to the about five per 1.000 residents: Puerto Rico Police Department New York has about 15 per 1,000. Police statistics show that in Mr. Cartagena said that the police force could use 4,000 more officers 1979-1980 criminal activities increased from 80.181 to 92.269 the biggest increase in the last 20 over the oext two to three years.

Mr. Fucile noted that because of the low salaries - \$685 a month ple from rural areas.

'Unsophisticated'

"They're very nice and totally uncorrupt, but compared with the streetwise punks from the States, they're very unsophisticated," said a loogtime resident of Puerto Rico, noting that many of the better-traioed police officers leave the island for better-paying jobs on the mainland.

Some residents attribute the increase in crime to the return of Puerto Rican migrants from the mainland who, the residents say, bring bad habits with them.

Other blame the rapid change of society, with increasing urbaniza-tion and a breakdown of the family. "The more progress, the more crime," said Mr. Fucile. "In a short span of time, we've gone from a jungle to a modern society. with all the pressures and stress of

a big city like New York." Mr. Fucile started a program called Crime Stop 11 years ago when crime began to be a major focus of public atteotion. The private, nonprofit program, operated by about seven volunteers, provides people with an emergency telephooe number to call police headquarters.

Drug Involvement

Drugs are another cause of crime, said Dr. Rafael Rivera of the Center Against Drug Addic-tion. He noted that in 1970 about 59 percent of all people arrested in Puerto Rico were involved in drug charges. The rate has declined to between 30 percent and 35 percent, but is still a problem.

Sen. Luis Ferre has estimated that 75 percent of Puerto Rico's crime is related to drugs.

Puerto Rico is a transit route for illicit drug traffic from South America into the United States, according to drug enforcement officials. They and medical authorities treating drug abuse report that, while abuse of heroine, obtained primarily from New York, abuse of cocaine, pills and easy-tofind marijuana is increasing.

White and Gold

A S WITH WHISKY in Scotland and vodka in Russia, rum is the drink synonymous with the Caribbean and in particular Puerto Rico. The production of rum is now very much part of the islaod's tradition, although methods of distillation and marketing are, of course, more sophisticated than in the early 16th century. when rum was first produced on the island.

At that point, the early Spanish settlers introduced sugar cane to the island and it was they who discovered that the molasses, produced from ground sugar cane, fermented naturally to produce a harsh liquor that they named aguardiente. These early experi-ments saw the birth of Puerto Rico's rum distillation.

During the 16th, 17th and 18th centuries, the demand for runn came from the American colonies and in particular New England, where it was imbibed in large quantities. It was also considered to have aphrodisiac and medicinal qualities, as well as the power to ward off evil spirits, and was administered to women in labor as a mild anesthetic. Puerto Rico helped to supply this ready market with molasses for distillation and the refined product.

Today, with the help of modern distillation plants and marketing and advertising techniques. Puerto Rico is the world's leading rum producer. This island industry accounts for 89 percent of all U.S. rum sales and produces a revenue that runs into millions of dollars from the excise taxes that are levied.

Quality is maiotained by laws that govern the distillation pro-cess and that also determine the length of time the rum must be aged: at least one year for white rum and at least three years for gold rum.

Economy Hinges on U.S. Role

Gov. Carlos Romero Barcelo.

in terms of the CETA program,

pact not only on the unemploy-

Construction

bleak terms. "The Puerto

By Martha Magruder

Adding to Puerto Rico's prob-lems is the fact that about 99 per-CAN JUAN - For many years, cent of its energy is produced by foreign oil, adding a tremendous D it took about nine months for U.S. economic problems to affect burden to already overstretched Puerto Rico, but today, through a government dollars and consumer combination of a more sophisticatpocketbooks. ed economy in Puerto Rico and the upheaval being caused by Preswhile refusing to speculate on just how deep the federal budget cuts ident Reagan's economic policies, the impact is almost simultaneous. will be, did agree that the food This relationship is based largely stamps and CETA programs on Puerto Rico's strong economic would be the most seriously affect-ed. He explained that Puerto Rico

ties to the United States, ties that include transfer payments of bewould be excluded from the existtween \$3.5 billion and \$5.3 billion ing federal food stamps program and would instead receive a block a year, depending on who is doing the liguring. grant of about \$540 million. Almost across the board, Puerto

Rico's busicess community and economists agree that the island is which Mr. Reagan has proposed eliminating, Mr. Romero Barcelo said that this could represent a loss not only already undergoing tough ecocomic times but that, come Oct. 1, when Mr. Reagan's ecoof about \$270 million a year, rep-resenting the wages of some 25,000 nomic package goes into effect at the beginning of the federal fiscal workers in maintenance of roads. schools parks and hospitals. Thereyear, the picture will become even fore, he reasons, the cancellation gloomier of this program would have an im-

Short-Run Problems

ment rate but also on government One economist, commenting on the Reagan proposals, said, "The main benefit to Puerto Rico will be service at all levels. Interestingly, Puerto Rico's Treasury secretary, Julio Cesar in the long run. If Reagan can Perez, does not see the situation in straighten out the U.S. economy, such we will benefit. However, in the short run, we will indeed suffer." Rico economy will keep on ex-Because Puerto Rico does oot pay federal income taxes, he said,

panding, principally in the manu-facturing area," he said. the island will not even benefit from the tax cuts that Mr. Reagan is offering as part of his package.

What does concern Mr. Perez, however, is construction, which Puerto Rico has an official unhad been suffering badly in recent employment rate of about 18 perwhich does not include a soon as interest rates come down large group of people who have to more reasonable levels we will given up looking for work. Two major federal programs — food stamps and the Comprehensive Employment and Training Act (CETA) — are among those high on Mr. Reasonic list of comprehensive see some improvement, I feel the government also must get more involved." Toward this end, Mr. Perez said on Mr. Reagan's list of programs to be cut. Currently, Puerto Rico that work was currently under way to adjust existing construction guidelines to make it easier to receives close to \$1 billion a year in food stamps funds, and about 55 percent of the population colbuild at more reasonable prices. "We have two problems today, the cost of a house and the cost of inlects food stamps. While some see this reduction in tcrest. We are powerless to do anyfinancial dependence as good over thiog about the interest rate, so we the long run, they also see the reare considering loosening the guidelines to permit less costly construction," he said. Also under study are variable sults for the short term as translatiog into a period of negative growth. "With close to 25 percent of our working population — some 200,000 out of 830,000 — already rate mortgages, which would ease up the now frozen mortgage funds. A more negative note was sounded, however, by Alberto M. Paracchini, president of Banco de working for government, many on CETA funds, things will have to

Is It a Country, Colony -Or Something in Between?

During 83 years

under the U.S. flag,

the island has held

its pride with

(Continued from Page 7S)

ment, one does not talk politics. But when you go, Mr. Serrano said. "all people talk is politics and they end up lighting." Nonetheless, he added, he is onto its culture and

happy to be on the island. "I never felt like I belonged in the States. It's very hard to get ahead as a Puerto Rican. Even with their faults. I prefer to be with my peo-

remarkable tenacity. ple. Annie Bello, born in New York versity and is a salesman for a of Puerto Rican parents, came a company called American Home few years ago "to get in tune with. Products, said, "I feel Latin Amermy culture" and married a Puerto ican. I like the United States, but I Rican. As a child of the 1960s, she said, "t was very rebellious. My mother would say, 'You're an American.' I'd say, 'No, I'm Puerto Rican.' But now that I'm in Puerto think of anything from the U.S. as foreign. Rico, I've decided, 'No. I'm a New ... The couple live in a Levittown

Yorker. condominium where. Annie Bello said, they think I m a hippie be-In contrast, her husband, Samuel Vera, 26, although he has a mas-ter's degree from New York Uni-

Ponce and of the Puerto Rico

Bankers Association. "I think the

economy of Puerto Rico is stag-

nant and that, after adjusting for

inflation, we will see negative real growth this year," he said. Mr. Paracchini attributed the

problems to "the impact of higher-

petroleum prices, which is tremen-

dous and has created a consider-

able drain on our economy, and on

inflation, now running around 10-

increases, signs of abating inflation in the United States, which will be

felt in Puerto Rico, and, he hopes,

the lowering of short-term interest

rates during the oext six months.

As for long-term rates, Mr. Parac-chini points out that they are tied to inflation and will decline when

the financial community decides

In other words, he added, to the

extent that Mr. Reagan is success-ful and the U.S. economy takes off, Pnerto Rico will benefit. Pner-

to Rico's three major problems,

the three things that affect it the

most - energy prices, inflation

and interest rates - are the three.

things over which it has no control.

inflation is coming down.

12 percent a year in Puerto Rico."

And the answer?

cause I wear Iodian blouses and braid my hair." She is expecting a baby. "I want to call it Michael or Courtney," she said. "My busband wants Alejandro." The cultural clashes of Levit-

Baby's Name

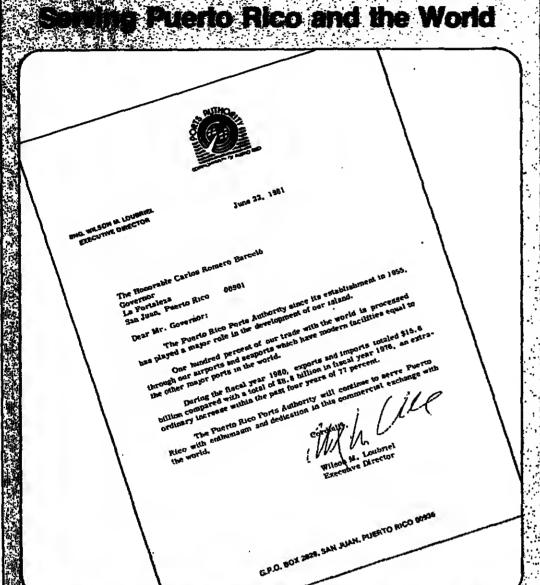
town are the clashes of all Puerto Ricans. During 83 years under the American flag, and despite a dra-conian Anglicization of the schools that lasted more than a generation, this island has held onto its language, its culture, its religion and its pride with remarkable tenacity: Puerto Rican poets musicians, playwrights and painters continue to blossom. Of 84 radio stations, only one has programs in English. The Levittown high school is named after. Pedro Albizu Campos, a Puerto Rican revolutionary

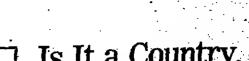
Mr. Paracchini sees possible reof the 1930s - who went to Harlief from the latest OPEC talks devard. claring a moratorium on oil price

Nonetheless, these islanders, living 1.000 miles southeast of Miami on the far side of Cuba, shop at Grand Union, work for Bendix in Ponce or General Electric in Caguas, collect Vietnam veterans' benefits and watch the World Series on television dubbed in Spanish. The governor vacations: in. Disneyworld. His principal oppo-nent, Mr., Hernandez Colon, is a graduate of Valley Forge military academy and Johns Hopkins Umversity. Even Mr. Berrios Mar-

tinez, the head of the Independence Party, went to Georgetown University: Pnerto Rico celebrates Thanksgiving and Mother's Day, along with its own historical holi-days. It is almost impossible to

As for construction and hous-ing, Mr. Paracchini said he expects a radical change in home financing find a Puerto Rican; whether in the in Puerto Rico and on the mainpoor countryside or in wealthy San land. "Until now, in Puerto Rico, Juan condominiums, who has not you could buy a home at a lowworked or studied in the United interest, 20-year mortgage guaran-teed by Uncle Sam. But no more.", States, or does not have close rela-Instead, he sees shorter-term rene gotiable mortgages. -MÁRGOT HORNBLOWER





			a the second	್ ಡೌ. ನ ಹಿ.ವೆ. (ಗ್ರಾಮ	Sec. 3. 3.		an a			
		n, 975	12-14-24-26-2		Sector Sector	- C. 10	S PERSONAL S			11
Print Mar	AFRICA	26	1.1.1	244				÷	NORTH	
26 3.2	Angola	2	India	1000	Republic	1.5	Span	1	AMERICA	
14 90	Algenia	17 -	tran	1.5	Jamaica	$\mathbf{y} = \mathbf{y}$	France		United States	
1342	ivory Coast		Japan	172.2	Hait	10	Holland		Canada	
33 .78	Ghana	· · · ·	Singapore Formosa	14 M	Bermuda Barbados		italy		Mexico	
19.54	Canary Islands	-	Korea	2 24	Virgin Islands			· .		
3.5	C. Libya		Oman	1 B	CENTRAL		England	1	SOUTH	
2.8	South Africa		Israel	4183	AMERICA		Poland		AMERICA	
Shirt Co.	Serra Leone		Thailand	3. 4	Costa Rica	1.1	Greece	· · · .	Vanezuela	· •
di sure	Sudan		Pakistan	1.12	Panama		Russa Switzerland		Ecuador	
	Congo		Macao	-	Nicaragua		Turkey	· · ·	Brazd	×.
	Egypt		OCEANIA	1.4	Honduras		Portugal		Argentina Colombia	
	Ethiopia		Australia	13	Guatemata		Norway		Peru	
	Kenya		New Zealand		Belize			· · ·	Chule	
	Mauritrus		CARIBBEAN The Bahamas		B Salvador Canal Zone		Iceland Hungary		Unguay	
	Camerun	5 G.	Dutch Aptilles				Finland	- · · ·	Paraguay	
	Saudi Arabia	1.1	Trinidad and	100	EUROPE		Austria	÷	Guyana	1
1	The Philipines	12	Tobago	3.00	Belgium		Sweden		Boirvia	
	Hong Kong	-	Dominican		Denmark	<i>i</i> .	Yugoslavia		Surnam	
ал. Г		1.5		- P			· .:			
5				1.1						

Other Reasons

Other reasons given for the increase in crime are economic problems - with an increasing cost of liviog and high rates of unemploy-ment, the disparity between rich and poor has grown - and rising expectations as Puerto Rico has developed economically.

"People see wealthy tourists or Americans who move into luxury buildings: they see advertising on TV and billboards for thiogs they can't afford," said an American who has lived in Puerto Rico for 13 years. In that time, she has been robbed three times and mugged

- LINDA BERNIER get worse," a planner said,

INDA BERNIER is an American free-lance journalist who L has been a frequent contributor to the International Herald Tribune's special supplements. She is a former reporter and feature writer for the Los Angeles Herald Examiner.

MARGOT HORNBLOWER is on the staff of The Washington Post.

CIELA BEXON is a former business writer and contributing editor for Industrial Puerto Rico, the Puerto Rican manufacturers' association business publication, and for the last year has been a reporter at Caribbean Business, a weekly newspaper.

MARTHA MAGRUDER was previously the city editor of the San Juan Star, an English-language newspaper. She was until recently the editor of Caribbean Business, which she founded.

JOEL MAGRUDER has lived in Puerto Rico for 25 years. He has worked for The Associated Press in San Juan and for the San Juan Star. He and his wife, Martha, have a publishing firm.

Government Development Bank for Puerto Rico

ASSETS:	\$ 1.69	billion	
DEPOSITS:	\$ 1.10	billion	
CAPITAL:	\$ 115.63	million	



- Fiscal Agent and Financial Advisor to All Government Agencies, Public Corporations, and Municipalities
- Lender to the Public and Private Sectors
- Depository and Trustee of **Commonwealth Funds and** Their Liquidity
- Subsidiaries: Puerto Rico Development Fund Puerto Rico Housing Finance Corporation

P.O. Box 42001 **Minillas Station** San Juan, Puerto Rico 00940 Tel: (809) 726-2525

140 Broadway New York, New York 10005 Tei : (212) 422-6420

INTERNATIONAL HERALD TRIBUNE, JULY, 1981

Page 9S

PUERTO RICO

Contrasts Are Sharp in Island's Economic Picture

(Continued from Page 75)

ry. Colon

in Betw

 D_{27}

· · .

10 N

- 11a

 $\sim 0.5 e^{12}$

 $\pi^{i} = \hat{\sigma}^{i}$ 1

0 Box 42% Juan Plan

-10 Prosée

8:9 -2:4

Von Safer

sured.

hillion.

they paid with an egg or a bunch of plantains. If the doctor operat-ed, they gave him a chicken. If he saved a life, he might get a pig. "Life was very bad in those days," said Mrs. Colon, a small, how we king a conduct here the

brown-skinned grandmother who lives a mile from town. "We went without shoes. We had no electricity. It took a day to get to San Juan hy bus" on winding mountain roads.

She lives on the same patch of land where she was born. But her old wooden dwelling has been replaced by a neat concrete house, complete with a television, a washing machine, hanging plants, live chickens and a pet peacock. The sign over the door says, "God

By Ciela Bexon

banking and financial services, marketing and distribution activi-

tics, advertising, and real estate,

Puerto Rico has been cited by

many economists as having one of

the most consumer-oriented soci-

eties in the world. Individuals

spent nearly \$3.4 billion in fiscal

year 1979-1980 on services, while

government spending for services

mounted to \$506.6 million during

Of primary importance to the

economy is the banking system.

The 17 commercial banks and 14

small loan companies are carefully

monitored by the island's Treasury

Department while the 12 chartered

island savings and loan institutions

respond to the Federal Home

Loan Bank, All deposits in island

commercial banks are insured up

to \$40,000 by the U.S. Federal De-

posit Insurance Corp. Savings and

loan deposits are also federally in-

At the end of calendar year

1980, the Treasury Department re-

ported total assets of the island's

commercial banks, plus the two

government banks, at nearly \$9.7

Although several large U.S.,

Canadian and Spanish banking in-

stitutions have big operations in

the island, it was a local bank -

Banco Popular — that posted the largest net income for 1980 with a

total of \$23.5 million. At the end

of the year, its assets stood at \$2.6

billion. Following Banco Popular

among other things.

the same period.

Bless Our Home." A daughter lives in New Jersey, but six of Mrs. Colon's children live nearby with their families.

"Everything is better now," she said. Her husband, a retired cashier, is ill, but the \$116 a month managerial class. they receive in Social Security, plus \$112 in food stamps, means "we have peace of mind," she said.

Workers Bilingual

The Waters plant is part of Cidra's new prosperity. Built in 1978, its work force of 90 is expected to sophisticated companies." The Waters plant represents a reach 250. But it will hardly help new phase in Operation Bootstrap. Puerto Rico's unskilled unemwhich began with a tide of lowwage, low-capital textile and unployed. Waters workers, who make liquid chromatography instruderwear factories. As Puerto Rico phased in the U.S. minimum wage, however, these plants fied during the 1960s and early 1970s to Haiti, ments to analyze and purify chemicals, average two years of college. Most are hilingual, ahle to follow

complex instructions in English. Taiwan and other Third World na-Even the janitor has three years of tions. The government turned to tions. The government turned to capital-intensive petrochemical college accounting. Nonetheless, the firm illustrates plants, a venture that failed to the progress that Puerto Rico has bring the expected employment and caused major pollution probmade in training a technical and

Now Puerto Rico's sophisticated recruiting apparatus, the Econom-Development Administration, with 700 employees and offices from Boston to Tokyo, is focusing on high-technology electronic, computer and precision instrument firms.

cathode ray tubes and other spaceage materials.

month, a near standstill in con-

dearth of adequate commercial

and residential space all have put

severe constraints on an industry

that provides permanent and part-

time employment for more than

2,000 people. Nevertheless, leading

Brokerage firms, on the other

struction, lack of financing and a

The island is also known as "the nation's pharmaceutical capital." with 85 plants of multinationals such as F. Hoffmann-La Roche. whose subsidiary in Puerto Rico makes all the Librium tranquilizers used in the United States.

Officials from Waters, a Massachusetts-based company. traveled to Texas, Nonh Carolina and Ireland before settling on Puerto Rico for their new plant. "A lot of husinessmen still think Pueno Rico is banana republic." Mr. Loinaz said. But Waters realized that it could get an excellent deal, he add-

The subsidies were far beyond what Antonio Melendez Caraquillo or any local farmer could dream of: a prime piece of land in one of the government's 96 industrial parks, complete with a ready-made building shell (a \$900,000 capital investment for which Waters pays rent), and a \$1.5-million-a-year tax break that enables the plant to make a 23-percent annual profit, while Waters' mainland factories average about 10 percent.

IRS Suits

The Internal Revenue Service has questioned the federal exemption program and has taken several firms to court, including the pharmaceutical giants Ely Lilly and Warner-Lambert, for allegedly using Puerto Rico subsidiaries to evade mainland taxes. Warner-Lambert was forced to pay \$44.2 million in back taxes last year.

Even some businessmen fcel that the island's development program is unbalanced.

"The answer to any developing country is agriculture," Mr. Loinaz said. "We have the land, the sun, the water, the East Coast markets; we could be better than Florida. With agriculture, we wouldn't have to be heggars."

Before working for Waters, Mr. Loinaz spent four years trying to set up a business to grow high-value medical plants, which pharmaceutical outfits in Puerto Rico import from as far away as the Himalayas. But the government refused to help. "I was talking about advanced agriculture and they were talking about machetes with mohe said. "We never commutors," nicated."

During the rapid industrialization, farmland, which once covered 90 percent of the island, drooped to less than 60 percent. Although farm workers now receive the minimum wage, they make up 4.8 percent of the labor force, against 36 percent in 1950. Employment grew at only 1 percent a year in the last three dec-

ades, as 176,000 agricultural jobs and 50,000 home needlework jobs were lost. The 140,000 new manufacturing positions only partly re-placed them, and a large popula-tion increase contributed to major unemployment,

Today, Pueno Rico imports \$1.2 billion worth of food, mainly from the United States, including rice from California, oranges from Florida and even sugar, which can be produced more cheaply abroad because of mechanization. The government has recognized

the absurdity of paying high prices for imports that could be grown on the island. Past governments "failed to pay enough attention to agriculture," Gov. Romero Barcelo said. "In the 1940s, when the share of industrial income became larger than agricultural income, it was almost a celebration. When the eco nomic development administration promoted an industry, it didn't matter how much it contaminated the environment, disrupted the community or destroyed agriculture.'

Gov. Romero Barcelo has undertaken a 12-year agricultural development plan. Resources devoted to the endeavor are limited however, and the first step, a project to plant rice — a principal staple — has been hampered by improper site preparation, inadequate equipment and inaccurate cost estimates.

Ruben Berrios Martinez, the leader of the Puerto Rican Independence Party, calls the current economic system colonialist, and predicts that it will produce even greater dependence on food stamps and other federal funds, which now add up to one-third of the island's gross product,

"Puerto Rico is on the way to becoming a stagnant, totally dependent, mortgaged society, sub-sisting on the dole," he wrote in an article in Foreign Affairs. Mr. Berrios Martinez said that Puerto Ricans must stop living "as welfare recipients in an artificial economic structure designed for the benefit of U.S. corporations."

Benjamin Ortiz of Mision Industrial, a local environmental group, speaks of "an illusion of prosperity." It is, he has said, "prosperity based upon dependency and a very fragile economic structure which has 20-percent unemployment which is not exploding because of food stamps and all the other federal aid programs. Capital circulates but never accumulates ... If there is no accumulation of that capital for the future of the Puerto Rican nation, there is no development.



FULL BANKING SERVICES FOR ALL YOUR PERSONAL AND CORPORATE NEEDS

 Personal trust services

- investment management
- trusteed custodianship
- guardianship escrow agents
- Corporate trust services

Commercial and

personal credit

plant

services

- Fiscal agency stock transfer agency.
- dividends and interest paying agency · employee benefits
- Checking accounts Savings accounts (pension plans prolit

EmHA guaranteed *

interim financing for

- EDA guaranteed loans

installement, demand.

installment, demand

construction loans

commercial loans

fixed term

fixed term

coins

- personal loans

Gold bars and

loans

- All types of sharing plans, savings
 - certificates of deposit
 - Traveler checks
 - Safe deposits
 - boxes
- line of credit American Express letters of credit - SBA guaranteed loans Gold Card

Girod Trust Company

355 TETUAN STREET OLD SAN JUAN, PUERTO RICO PONCE, PUERTO RICO TEL. (809) 725-8124 - 723-8188

ALCAZAR CONDOMINIUM TEL. (809) 844-4115

The Services Sector in a Consumer-Oriented Society was another local hank, Banco de Ponce, which posted earnings of SAN JUAN -- Not surprisingly, San Juan is the nucleus of \$9.2 million and total assets of \$1.31 billion. Puerto Rico's services sector -

It was generally a bad year in profits for the island's 12 savings and loan institutions. First Federal Savings, the island's largest S&L, reported losses of about \$3 million for the first quarter of this year, nearly as much as it lost in all of last year.

Although money market funds have not had the same detrimental effect on local thrift institutions as on the mainland, the S&Ls have been besieged hy current high mortgage interest rates and the cost of money. As short-term interest rates have risen, the S&Ls have had to pay more for their lending funds while the average return on their mortgage portfolios remains at rates as low as 6 percent for old

mortgages. Nevertheless, the S&L bankers expect to improve their position this year because legislation that became effective on Jan. 1 authorizes these institutions to enter business areas previously reserved to commercial banks. For the first time this year, for example, they will offer interest-bearing checking

accounts. Early last year, the government approved legislation designating uerto Rico as an offshore banking center in an effort to put Puerto Rico in a direct competitive position with offshore centers such as Nassau or the Grand Cayman Islands.

Funds generated by local subsidiaries of U.S. manufacturing op-erations under the Industrial Incentives Act and Section 936 of the

Internal Revenue Service Code are referred to as "936 funds." Despite the heavy flow of funds

merated in the local market by the so-called "936 corporations (\$6.3 billion at the end of 1979), Puerto Rico's dream of becoming an international banking center seems to be fading. To date, the

Continental Illinois The deposits of these corporations in island banks had reached \$4 billion in the Treasury Department's last report. These funds have gone largely to finance more than \$2 billion in commercial and industrial loans. Banks handling

ble activities.

brokerage houses in Puerto Rico.

major firms, Merrill Lynch, Paine Webber and Bache. Now there are seven firms, with three more intending to begin operations soon. Another important service in-

dustry is real estate. Mortgage in-terest rates that reached 17% last product behind manufacturing and tourism.

real estate firms reported high business volumes for 1980; Tirt only bank to request a license for an international hanking hranch is Real Estate led the field with \$250 newcomer to the island scene. million in sales. The majority of sales last year, however, were resales of properties with good financing. The leading service industry in the island is insurance. As of June 30, 1980, the Office of the Commissioner of Insurance, which regulates the industry, reported a total of 7.882 licenses issued to indi-

these deposits are also required to maintain 20 percent of their Secviduals or corporations active in tion 936 deposits invested in Puerthe business. According to that reto Rican government debt, and 10 port, \$628 million in premiums percent has to be deposited with was underwritten by companies Government Development doing husiness in the island in Bank. Approximately 50 percent of Section 936 funds are held in 1980, and 63.7 percent of these

premiums were subscribed by the tax-exempt certificates of deposit. 37 active domestic companies. The only lending restriction is that the Treasury Department limits Until about 12 years ago, insurance in Puerto Rico was dominatthe use of funds to a series of eligied by foreign companies operating through agents. The trend has now

The Section 936 funds, coupled shifted toward locally owned companies. Many foreign companies with the boom of money markets and high interest rates, have creatlost interest and retired from the local market, leading to a marked ed a bullish atmosphere among decline in the number of agencies.

For years, brokerage services in the island were offered by three

The insurance industry presently ranks third in gross national

agreements with the local houses.

hand, have flourished. Several mainland brokerage firms have en-tered into affiliation or partnership

"Puerto Ricans used to be sec-ond-class citizens," said general manager Diego Loinaz, a mechanical engineering graduate of the University of Puerto Rico. "Now you have guys like me in charge of

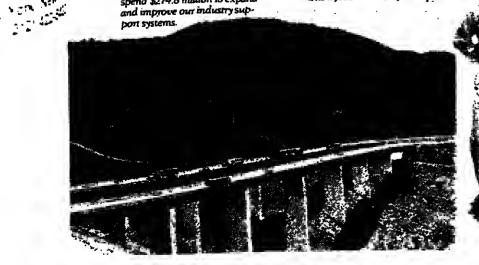
Two-hundred-and-forty of these high-growth, recession-resistant companies have moved to Puerto Rico. producing bigh-speed printers, magnetic core memories,

PUERTO RICO IS AMERICA.



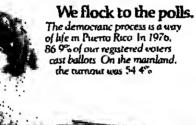
We have fine highways. 18-wheelers can reach any seaport within 2 hours. This year we'll spend \$274.8 million to expand and improve our industry supbort systems

We're family-oriented. We want each new genera to be better than we are. At this Marquez family gathering, there's a chemistry professor, a miversity adminis lawyer, and six youngsters who'll follow in their footsteps.



We're Americans in our own special ways. We're proud of our heritage, just like other Americans are proud

of theirs. Iowans are different from New Yorkers. Puerto Rico's 3.3 million American citizens are different from Ohio's 10.7 million. That's what America's all about. Differences. And similarities.





The Areyto is an internationally known folklone troupe that helps to perpetuate our unique songs and dances They've been applauded on four



The music that plays in per worker is higher. our shopping malls has a Latin beat. But you'll find J.C. Penney and Sears and McDonald's there. And

a thriving business in each. We also share more basic things with our fellow Americans. Like wanting to get ahead. And a willingness to work for it. Puerto Rico is alive with

skills and talents. Labor turnover is lower than the

mainland average, and the "dollar-added"

We're proud of our citizenship.

We celebrate the Fourth with hours-long parade

in our major crises. And the kids get a flavored

That's one reason why almost 2500 manufacturing companies have established operations here since 1950. Another is our geographic and linguistic ties to over 200 million Central and South American consumers.

All considered, is it any wonder that 535 com-

We're community-minded. Thousands of parents volunteer nme for Cub Scouts and other youth actuates Our cuse ranons are familiar: Kiwanis, Lions, Rolary, Shinne



We're technically skilled.

panies have built new, additional or expanded facilities here in the last 3 years alone? They've found that Puerto Rico and industry is a partnership that works.



Puerto Rico, U.S.A. The ideal second home for American Business.

ł

© 1980 Puerto Rato Economic Development Administration

Page 10S

INTERNATIONAL HERALD TRIBUNE, JULY, 1981

PUERTO RICO

In Puerto Rico there is a bank that says "Yes" to all your banking needs.

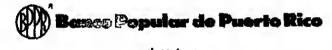
Banco Popular de Puerto Rico offers the most complete services to corporate and industrial customers. Professional banking services structured to meet each corporation's needs, regardless of size.

Banco Popular can be of service and assistance to companies interested in investing in Puerto Rico by providing counsel and vital facts on plant sites, labor supply, utilities, transportation and the island's unique taxexemption plan, as well as all kinds of personal and financial assistance.

For more information please contact any of our 117 branches in Puerto Rico, New York or Los Angeles or call Mr. Robert Denton, Jr., Senior Vice President-Business Development and Corporate Services Division Tel. (809) 764-6274 in Puerto Rico.

In New York Banco Popular Building 7 West 51st Street New York, New York 10036

In California Banco Popular Center 354 So. Spring Street Los Angeles, California 90013



... closer to you

Member FDIC

Industry Spotlight on Pharmaceuticals, Electronics

SAN JUAN — The strategy for reduction if certain investment and ability and competitive edge of cheap foreign crude compared to payout restrictions are met. "Furthermore," Mr. Madera 1960 was based on encouraging in-

dustrialization through tax exemp-

tion, cheap labor, the govern-

ment's commitment to provide ser-

vices, and the importation of capi-

tal from the U.S. mainland and the

At the core of this strategy,

which worked well for about two

decades, was the creation in 1950

of the Economic Development Ad-

ministration, known as Fomento.

It was followed by a financing

unit, the Government Develop-

ment Bank, and a real estate divi-

sion, the Puerto Rico Industrial

Today Fomento has shifted

from the promotion of the labor-

intensive textile and apparel indus-

tries to the more capital-intensive

pharmaceutical and electronics in-dustries.

Rico now work in manufacturing, compared with 42,000 when

Fomento started its industrializa-

tion program. The average yearly payroll for factory workers has risen from about \$33 million at the

start of the program to about \$936

Minimum Wage

Although total employment for 1980 was lower than the 1978 peak of 155,400, the marked increase in

payroll is a clear indication of the

predominance of pharmaceuticals and electronics -- both of which

mum wages in Puerto Rico.

About 150,300 people in Puerto

Development Corp.

million in 1979.

from 1979.

companies."

European Economic Community.

pointed out, "the productivity of the Puerto Rican workers has increased substantially in the past years, luring many of the technological industries to expand operations in the island, rather than in the mainland. In the area of electronics, Puerto Rico presents a definite challenge to California's 'Sili-con Valley'" — the Santa Clara Valley, where most such firms are based. **Textile Competition**

Not all has been rosy for manufacturers in the island. Perhaps the most adversely affected have been the textile and apparel industries, which had their heyday before the adoption of the federal minimum wage. Io additioo to that factor and high energy costs, competition from countries such as Taiwan and South Korea has cut demand for Puerto Rican garments.

Nevertheless, in 1979 about 360 plants in Puerto Rico exported more than 450 million apparel items. At least 11 of these operations are subsidiaries of Fortune 1,000 corporations, some of which produce designers' label items that require a good deal of quality control.

Another sector that has failed to live up to expectations is petro-chemicals. In late 1955, Gulf Oil started the island's first refinery, and in January, 1956, the Com-monwealth Oil Refinery, or COR-CO, began operations at 23,000 barrels a day. Gulf's crude oil capacity was eventually increased to more than

Despite higher wages and the Industrial Incentives Act of 1978 40,000 barrels a day, and CORCO - which substituted partial tax now can process more than 140,000 a day plus 70,000 barrels grants for 100-percent tax exemption for manufacturing industries of naphtha for petrochemical pro-duction. Phillips Petroleum started - new companies keep flowing to the island. Last year alone, Fomento promoted 215 industrial an operation in 1968 and Sun Co. projects, an increase of 14 percent came in 1971.

Through the early 1970s, a number of petrochemical plants began operations. Although a significant Fomento Administrator Jose Madera gave two basic explanaportion of the fuel is consumed on tions for increased interest in Puer-Puerto Rico, most of the products to Rico as an international manuare shipped to the mainland. Major exporting of petrochemi-

facturing center. "Clearly, the new Industrial Incentives Act still procals was looked on as a short-term vides sufficient tax advantages to corporations, particularly for the so-called 936 firms, which are the local subsidiaries of U.S.-based situation. The long-range plan was to develop downstream processing that would result in production of consumer items. This was especial-Through Section 936 of the U.S. ly encouraged because down-Internal Revenue Code and Puerto stream industries tend to be more Rico's tax exemption law, such labor-intensive and environmentalbusinesses must pay a 10-perceot tollgate tax for dividends expatrily more acceptable.

But, in addition to lower wages ated to the mainland and paid to corporate shareholders. The law and tax exemption grants, a key corporate shareholders. The law factor in auracting these opera- on goods and services in 1980. In provides, however, for a 50-percent tions to the island was the avail- addition, cruise ship visitors arriv-

cheap foreign crude compared to U.S. domestic oil - before the 1973 Arab oil embargo. Since 1978, CORCO, the island's largest refinery, has been

operating under the protection of Chapter XI of the U.S. Bankruptcy Code, and daily production is now 55,000 to 68,000 barrels of crude a day, well below the minumum needed to turn a profit.

Eduardo Lopez Ballori, director of the office of energy in Puerto

Rico, said there are several plans in the making that could salvage the local petrochemical industry and aid CORCO. The pharmaceutical industry, ers. whose profits have been described as unholy but whose presence has been labeled a blessing to Puerto Rico, keeps a low profile while its

size and profits grow by leaps and bounds In 1974, there were 58 pharmaceutical plants employing about 5,450 people. Last August, Fomento reported 86 pharmaceutical operations, with nine new plants being established, and total employment of more than 10,000.

Ninety percent of the companies

are U.S.-owned

During the last five years, the value of exports of pharmaceutical products from Puerto Rico increased steadily, from \$281.6 million in 1974 to \$883.4 millioo in 1979.

The rise in net income for these companies is even more impressive. From a total of \$92.4 million in 1970, net income increased to \$1.1 billion in 1979.

Electronics Opportunities

"You are about to read of an industrial community that is unrivaled for the opportunities for profit and growth it offers for electrical and electronic manufactur-

So begins the Fomento brochure describing Puerto Rico's electric and electronics industry. Fomento's statistics show that this sector grew 44.2 percent between 1978 and 1979 while its annual net in-come increased from \$408.5 million to \$589.9 million.

In almost every case, companies have exceeded Fomento's employ-ment quotas in record time. In addition, the island's electrical and electronics companies have created the need for another core industry; electronic component manufactur-

ers, as well as for local component distributorships. Many of these firms buy their by 14 percent last year.

raw materials from the mainland, al income came mainly from coffee and starchy vegetables. While the volume of coffee production grew, sugar production dropped in 1980. but some buy as much as possible on the island. Many Japanese cicctronic firms have found their way into Puerto Rico as well.

Besides the government support for local industries, several active groups represent the different manufacturing sectors. Most notable is the powerful Puerto Rico Manufacturers Association, a nonprofit organization composed of more than 1,100 industry members with a common goal of improving the industrial climate in the island.

ing the last 20 years has been one But while the list of industries of the determining factors in the that have prospered in Puerto Rico. level of economic activity in the isin the last few years keeps expandland. ing - including rum production, furniture, nonmechanical equip-In fiscal 1975, the value of conment and precision instruments ---struction was \$1.487 billion, the two sectors have taken severe downturns: agriculture and conhighest level ever recorded in Puerto Rico. With the ensuing recesstruction.

Long gone are the days when Puerto Rico was a top producer of sugar, coffee and tobacco. Al-though preliminary estimates of 1980 gross agricultural income give a total figure of \$578.7 million, 7 percent above 1979, it is important

sion, increased interest rates and higher construction costs, the industry began a downward course, and the emphasis in construction shifted from private enterprise to the public sector. --- CIELA BEXON

The increase in gross agricultur-

However, Puerto Rico does a

flourishing trade worldwide in

tropical ornamental plants, and

the government has intensified its

efforts to develop rice production. Commercial banks and govern-

ment institutions have increased

Investment in construction dur-

loans to agriculture.

Tourism: Warm Welcome Replaces Cannonballs

SAN JUAN — Sir Francis Drake tried to visit San Juan in 1595. Not only did he fail to find a hotel room, but a cannonball was shot through the dining room table in his ship cabin, it is eported.

ish visitors are no longer cannonaded but are eagerly sought and warmly welcomed in Puerto Rico. Hugh Andrews, president of the Puerto Rico Hotel Association and

general manager of the Condado Holiday Inn, said that, were it not for the British tourists descending on Puerto Rico these days, "we would all be bankrupt."

Drake was seeking 35 tons of gold and silver stored in La Fortaleza, which is now the mansion of Puerto Rico's governor, Carlos Romero Barcelo. Contemporary British visitors seek the gold of Puerto Rico's sun and beaches and perhaps a little from hotel ca-

sinos as well. San Juan is where oearly all of the 1.6 million tourists who visit the island yearly choose to stay. These visitors spent \$595.7 million

Pedro De Aldrey, a former Hilton International executive and now executive director of the government's Tourism Co., said that the Jetsave charter company from England brings in 485 British tourists a week on back-to-back jumbo 747s. In July, he said, this becomes once every two weeks, as most of the tourists then spend a fortnight in Puerto Rico.

"The planes are coming in full," he said. For several of the luxury hotels, which have seen hard times, the British groups and a large oumber of French Canadian tourists are a bonanza, he said. "Stu Waters (general manager of El San Juan Hotel] is so thrilled that he now wears a British flag in his la-pel," said Mr. De Aldrey.

100-percent Occupancy

El San Juan, which, with the Dupont Plaza and Regency Hotel, has the bulk of the British business, is running at occupancy rates of close to 100 percent, against about 35 percent last year at this Mr. De Aldrey said that surveys

By Martha and Joel Magruder ing at the San Juan port for short of British tourists "indicate a high visits and servicemen on short degree of satisfaction with Puerto leaves spent about \$19.7 million. Rico," something that he hopes to Rico," something that he hopes to see duplicated by German tourists with the advent of direct Frank-furt-San Joan flights on Lufthansa this year.

"The Germans seem to prefer our out-island hotels," said Mr. De Aldrey. In fact, he added, Europe-an tourists tend to be far more adventurous than Americans, and frequently go exploring.

"The Entire Difference".

But although Mr. De Aldrey said that he was interested in attracting Europeans from other markets, such as France, he and major hotel managers agreed that the United States, particularly the East, would continue to be their main market, with a combination of Europe and Latin American

business in second place. Puerto Rico is anticipating a good early-summer tourist season.

following on the footsteps of a banner winter. Mr. Andrews of the Condado Holiday Inn joined other about 32 percent from the same hoteliers in attributing this to a widening of the tourist market.

the charter business from Europe. The British tourists are paying \$25 a night for a first-class room on the beach. If this is limited to two or three hotels, these hotels, will make money and we, in turn, will benefit from their filled to ca-

pacity situation." Also filling Puerto Rico's hotel rooms is increased. U.S. tomism, due, in large part, to the island's first major andare battle.

Capitol International Airways recently entered the San Juan market previously controlled by Amer-ican, Eastern and Delta, Undercutting the other arrives' fares by more than 50 percent, Capitol has caused them to make adjustments

in their rate structures. Capitol said that, since the price war began last November, its market share has risen to 25 percent. The airline's current round-trip fare between San Juan and New York is a little less than \$160.....

During one week this May, hotel occupancy figures were up by period last year. Mr. De Aldrey was the first to admit that one week does not make a year, but he Jag Mehta, general manager of week does not make a year, but he the Caribe Hilton Hotel, said that added, "If one week can make you he was indirectly benefiting from optimistic, then I'm optimistic."

11 A.

Barely four centuries later, Brit-

From one breed apart to another... **Merrill Lynch salutes the Business and Economic Community of Puerto Rico.**

For the past 27 years, we at Merrill Lynch have participated in Puerto Rico's dynamic growth. It's a spectacular place, rich in human resources and sophisticated in business and finance.

Our leadership position in investment banking in Puerto Rico is a result of our thorough understanding of the business climate in dealing with multinational

corporations, local corporations, the government and its public corporations. Through Merrill Lynch Government Securities of Puerto Rico, S.A., and Merrill Lynch Capital Markets of Puerto Rico, Inc., we can provide complete service in Puerto Rico, the Caribbean and Latin America with direct access to the mainland USA market. In addition, our international



network can assist you anywhere in the world.

Come be a part of the Merrill Lynch group in Puerto Rico as we provide innovative investment opportunities for you.

For more information, write us at #1 Banco Popular Center, Muñoz Rivera Avenue, San Juan, P.R. 00918 or telephone Puerto Rico (809) 754-5415, New York (212) 637-2703/2753.



By Clyde H. Farnsworth

New York Times Service

WASHINGTON - "Free trade doesn't ex-ist," contends Michael Samuels, who watches over international trade matters for the U.S.

Chamber of Commerce. "It's like infinity -

Nevertheless, judging from the statements of the Reagan administration, the removal of trade barriers to achieve free trade has a high

Getting rid of tariffs, quotas and credit and

other subsidies, along with buy-national pro-

curement policies and other forms of trade dis-

NEWS ANALYSIS

Two months after he overruled the free-

trade purists in his Cabinet and decided, under

pressure from Congress and the domestic in-

dustry, to induce Japan to undertake a pro-

gram of "voluntary" anto export restraints, the president has now swung the pendulum back toward free trade with the recent decision on

He ended four years of protection begun when President Carter ordered import quotas

on footwear from Taiwan and South Korea,

whose shipments of shoes to this country rep-

New Tests

resent a quarter of the domestic market.

you never reach it."

order of priority.

BUSINESS/FINANCE

Page 11 Monday, July 6, 1981

tronicy **Gulf Oil Haunted by Its Errors** As Competitive Vise Tightens

By Douglas Martin New York Times Service PITTSBURGH — Few companies have a history as grand and glorious as that of Gulf Oil.

Born in the Spindletop gusher of 1901 and financed by the Mellon fortune, Gulf went on to challenge successfully the Rockefeller oil empire. In dizzying succession, it opened the world's first gasoline filling station, acquired oceans of oil beneath the deserts of the Middle East and the swamps of Vene-znela, and firmly established itself as one of the leading producers, re-finers and purveyors of black gold. Gulf is now the seventh-largest oil company in the world, the seventh-biggest company in the Unit-ed States and a member of the planet's most exclusive business sorority - the Seven Sisters of international oil. On a warm summer rvening, the orange light emanat-ing from the crown of the compaay's headquarters tower in down-town Pittsburgh seems to suggest power, confidence and even a trace of deserved smugness.

Appearances, however, can be Appearances, however, can be deceiving. Over the last half dec-ade, Gulf has been hammered by a political payoff scandal, a battery of lawsnits, the loss of most of its prized foreign oil, declines in donestic output, a ludicrously disadvantageous natural gas sales conaract and a devastating change in nergy policy by the government n Canada, where Gulf has vast loldings.

Perhaps most painful, however, has been the combination of harply reduced consumer demand and an overabundance of refining sapacity, an industrywide afflic-tion that is stinging Gulf particulariy.

'Shrinking Phase'

"Gulf is a company going hrough a shrinking phase," said -Sal Ilacqua, an analyst with L.F. Rothschild, Unterberg & Towbin. Every time they straighten out heir business, something happens ind they get hurt," said Constan-ine Fliakos of Merrill Lynch, Pirce, Fenner & Smith,

Wall Street seems agreed that Julf will not be able to match its 980 carnings of \$6.70 a share (exale of stock in the company's anadian unit). The price of Gulf - tock has plunged by 35 percent in - ess than year, and some oil ex-

of hand — vociferously, vigorous-ly, every way I could," snapped Jerry McAfee, the 64-year-old chairman. Readily admitting Guif has faces big problems, Mr. McAfee contended that the worst is behind, and things are on the

B octainer, and uning are on the uptick. Gulf, like other oil companies, is representative of a fundamental paradox. Control of foreign oil has slipped away, production from U.S. oilfields is falling and the market for petroleum products is croding.

Yet, in the face of what would be a nightmare for almost any other business, things have seldom

We are now paying the price for some wrong decisions taken 10 years ago'

been rosier. The reason is a sixteenfold increase in the price of oil over the last decade. Sales, profits and assets have soared, as oil companies have directly benefited from the aggressive pricing of the

OPEC. "Adversity sometimes leads to strength," Mr. McAfee said, voicing a confidence that has characterized Gulf since its first president, James Guffey, dazzled turnof-the-century Texas society with his big black hat, stovepipe trou-

sets and loud waistcosts. The company, more geared to light, low-sulfur crude than any other major, is now spending \$500 million to upgrade refineries to handle the heavier more sulfurns. handle the heavier, more sulfurous crude oil increasingly prevalent these days. It acquired 700,000 exloratory acres last year, bringing its total inventory to more than 13 million. Through two acquisitions earlier this year it increased its coal

producing capacity by 50 percent. And it has begun an ambitions program to sharpen its refining and marketing operations. In addition, Gulf is in excellent financial position with nearly \$2 billion of cash on hand, a Triple-A credit rating, one of the lowest debt-to-equity positions in the industry and a \$4 billion capital budget in 1981. Accordingly, the company argues that, after years of floundering, it is now firmly on

the right track. "We are now paying the price for some wrong decisions taken 10 years .ago," Mr. McAfee said, on — a company on the ropes? which as he recalled Gulf's fail-"I would reject that question out ure, at a time when he was not in wincing as he recalled Gulf's fail-

the head office, to establish a prominent exploration position in Alaska. "We are now in the period of time lag between putting forth additional efforts and tasting the fruits of them."

Perhaps. But analysts have criti-cized the company for a lack of crispness in corporate decision-making, illustrated by a start-andstop development of its huge Mount Taylor uranium prospect in New Mexico. Further, Gulf's success hinges

on the turn of events in the turbulent entrepreneurial arena of energy, where changes in consumer demand, catastrophes in far corners of the globe and decisions by gov-ernments can alter the landscape

overnight. In Gulf's case, worldwide oil production has plunged 80 percent over the past decade, even as assets have nearly doubled and profits have increased by 150 percent. This constricting character of the basic business is evident from the

following facts: Both Venezuela and Kuwait nationalized Gulf's holdings in December, 1975. Largely because of these actions, Gulf has dropped to fifth position among worldwide crude producers, from second place in 1970.

• The loss of ready oil has been accelerated further as OPEC countries have cut major oil companies' share of the world's oil, to market it themselves. Last year, Gulf lost more than 500,000 barrels a day of long-term crude purchases, primanily from Kuwait, Veneznela and

Nigeria. • Domestic crude production has been on the decline. Last year crimination, meshes with a Reagan conservait totaled 364,200 barrels a day, tism that elevates the marketplace as the fadown from 425,500 in 1975 and vored instrument for allocating resource 626,000 in 1970.

· Gulf has cut daily worldwide refining capacity to 1.6 million barrels, from about 2 million five years ago.

 Once reputed to be one of the world's pre-eminent oil traders, Gulf's trading and transportation division last year handled just 806,000 barrels of crude, nearly 50 percent less than in 1979. This marks a continuation of a trend that has seen a cut in the number of tankers Gulf owns, leases and charters to 53, from 75 in 1976, from 99 in 1970.

Does all this mean Gulf is slipping into a different category from Exxon, Mobil, Texaco and others of the Seven Sisters? international advantage.

"We haven't been your typical sorority member," Mr. McAfee (Continued on Page 12, Col. 1)



Japanese shoppers crowd around a counter in a department store. Regulations restrict the ability of foreign companies to compete effectively in such large markets as cosmetics and tobacco.

Politics Testing Reagan Free Trade Ideals

Textiles, Steel, Tobacco Among President's Continuing Challenges

world trade and has encouraged protectionist neasures in industrial countries

Robert S. Strauss, the former Democratic Party chairman who managed trade negotia-tions during the Carter administration, was fond of saying that, for every two steps for-ward toward the objective of free trade, you had to take one step backward to gnard the flanks and muster political support.

Mr. Reagan is getting similar advice from his own chief trade negotiator, William Brock, the former chairman of the Republican Na-tional Committee. It was Mr. Brock who beld the middle ground in the debate over Japanese autos against the free-trade purists from the Office of Management and Budget, the Treas-ury and State Departments and the President's

approved, was to use a threat by Congress to legislate severe import restrictions for Japanese autos as a way to persuade the Japanese to act "in their own best interests," as Mr. Brock put it, with a "voluntary" program of

The politics of automobiles are different from shoes. The president had campaigned in Michigan and other auto-producing states with the promise of cube ratio the promise of curbs against the Japanese. He made no similar pledge in the shoe-producing states.

The auto industry is bigger, far more concentrated, employs three to four times more workers and thus has more political power, The geography is also different. Shoes are made largely in the Northeast, in states where the president owes few political debts. And the shoe industry had already enjoyed four years of import protection while the auto imports had been unrestricted.

Textiles, steel and tobacco could pose tougher problems. Textiles and tobacco are produced largely below the Mason-Dixon line in states that were strongly pro-Reagan in the

Japan's Trade Laws Frustrate Foreigners

Government proc

in the market.

chases have opened a potential \$10 billion market to foreign sellers,

who nevertheless complain the

bidding rules are stacked against them. It is difficult to find out

which cosmetic substances the gov-

ernment bureaucracy will permit

Long-standing business ties, often

of an almost familial closeness,

lead Japanese buyers to deal exclu-sively with Japanese suppliers.

Commitment Needed

Yet many successful American

And beyond these so-called "nontariff barriers" lie the cultural facts of economic life in Japan:

By William Chapman

Washington Post Service TOKYO — Although Japan's formal trade barriers are being dismantled, foreign businessmen still find formidable obstacles to selling their merchandise in this rich mar-

One by one, most of Japan's protectionist tariffs and quotas are disappearing, but the foreign seller encounters a maze of bureaucratic rules, commercial testing require-ments and cultural inhibitions that are often just as difficult to penetrate.

Foreign tobacco companies can sell cigarettes in only 14,000 of this country's 250,000 tobacco outlets.

In steel, as in autos, the president made campaign promises to help the industry. He said it should have greater protection against

'unfairly" priced foreign steel.

Such a finding entails penalty duties.

Europeans Unhappy

But the curtain has yet to fail on the steel drama. Europeans do not like the high trigger price level. They say they should be cleared to

ell below it - without risk of penalties -

because the devaluation of their currencies

against the dollar has made their steel exports

more competitive against domestically pro-

Fearful that the free-traders within the ad-

ministration would urge the president to concede this point and thereby undermine steel protection, the steelmakers, led by U.S.

Steel, are threatening to file antidumping com-

plaints of their own. Such threats are not taken

lightly; they could start a process by which much European steel would be kept out of this

U.S. Steel Corp. filed such a case last year when the Carter administration first refused to

raise the trigger price and then suspended the

trigger protection temporarily. American steel

producers accused the Europeans of selling

here at margins of up to 80 percent below their cost of production.

U.S. Steel withdrew the complaint when the

Carter administration restored the trigger pro-

tection, but it and other steelmakers, who pre-

pared similar cases hut did not file them, have

kept the pressure on the Reagan administra-

usinessmen here believe the market is open to the entrepreneur who tries hard enough and that the major obstacle is the failure of U.S. corporations to make the

long-term effort needed. The time when Japan "rigged the rules" against foreign sellers is passing, Mark A. Zimmerman, president of the American Chamber of Commerce in Japan, said in a recent speech. "I am confident that American business can garner a significant share of the Japanese market if our corporations are prepared to make the same level of commitment per capita that they make to the U.S. and Canadian and European markets." Mr. Zimmerman said that U.S.

corporate investment is only onetenth the size of that in the United Kingdom, even though the returns on investment here average an annual 18 percent - enough to whet the appetites of any business person.

"American companies that bave been here more than 10 years and have good local employes are the ones which succeed," Mr. Zimmer-man added, "The others — what l call the toe-in-the-water bunch don'L'

"You can sell to the Japanese, no matter what, if you have the better mousetrap," said William Kyle, a husinessman whose new company acts as go-between for U.S. manufacturers and govern-ment agencies here. "But you've got to be able to service what you sell. If something goes wrong, the Japanese company expects you to have a service rep in their office within two hours. Not many American companies offer that."

Both sides of the argument about Japanese imports are apparent in the far-reaching agreement to open up Japanese government procurement to foreign suppliers. It centers on the \$3 billion market

(Continued on Page 12, Col. 5)

JULY 1981

But new tests are coming, involving such politically sensitive commodities as tobacco, tex-tiles and steel, tests in which Mr. Reagan will again have to weigh domestic interests against Complicating all the cases is the bleak inter-

national economic climate that has already caused a sharp contraction in the growth of election.

The president made good on the promise early this year by raising the so-called trigger price, a mechanism that controls the flow of steel imports. Foreign steel coming in below the trigger price level risks a government investigation of dumping — that is, whether the steel was sold here below production costs.

Council of Economie Advisers. The Brock strategy, which Mr. Reagan finalmilder restraints.

France Sets Complex Borrowing Operation

By Carl Gewirtz. nal Herald Tribune

PARIS --- The government of rance, through Credit National, back in the Euromarket and lead lanager Credit Lyonnais is ispensing aspirin to potential anders.

The headaches are not related to te name of the borrower - it is niversally accepted that the victoy of President Francois Mitter-and and his appointment of four communists to the Cabinet have ad no adverse impact on the na-'on's credit standing - but to the tricacies of the operation.

The complications involve the mine of the loan denominated in and currency units - the ofthe unit of account of the EEC. transaction is composed of

By Carl Gewistz

PARIS - It was the same old,

by now boring, story last week

rising short-term interest rates

out what had been a

The cost of overnight money in

ew York hit 23 percent before slightly to around 19 per-

long holiday weekend with markets closed Friday for the

Most analysts remain convinced

at the increase is an aberration

id take heart from the reports of

apparent slowing in economic tivity and a slowdown in infla-

n (oil prices were inching lower

d food prices continued to de-

The evidence of a slowing econ-

ry came in the government's in-

x of leading indicators, which ppped a sharp 1.8 percent in sy, and the 0.6 percent rise in w factory orders, which after ad-

tment for inflation and special pations in specific sectors was

But Salomon Brothers econo-

acasure of the money supply increasing at a rate exceeding

Fed's targets while the nar-

er M1-B measure was well

ain its target, he reported that

Fed will have its hands tied by

divergence in these growth

isidered minuscule

ly Fourth holiday.

W. W. Land

I voit part

A Constant of the

al Herald Tribute

Market Again Falls Prey

o Surging Interest Rates

The ECU portion of the syndicated loan will actually serve as a back-up line in case banks are not able to market three- and six-

SYNDICATED LOANS

month ECU notes that will be offered to institutional investors. The dollar portion is a classic operation: An eight-year loan with interest set at a quarter-point over the London interbank offered rate

for the first two years, rising to % point for the following three years and settling at a half-point over Libor for the final three years. Because the loan is to be repaid in three installments starting in the

200 million ECUs (equal to about \$220 million) and \$200 million. The ECU portion of the syndi-and the average spread works out to about 0.40 percentage point. Higher Profits

> Credit National will have cight months from the signing, expected later this month, to draw down this loan, and lenders will carn a quarter percent commitment fee

on the undrawn portion starting from Nov. 1 The ECU portion, complicated as it is, will be considerably more profitable for the banks - even from the commissions Credit National will pay. Managers, for ex-ample, will take 7.5 million of each tranche, earning 3/32 percent on the dollar portion and 13/32 per-cent on the ECU part. The sharply higher fee paid on the ECU tranche is a recognition of the price to be paid to open a new

market. Comanagers, who will take 5 million of each transaction, will earn a commission of 2/32 on the dollar portion and 10/32 percent on the ECU.

The maturity on the ECU loan will be a maximum of 5½ years, and the size of the facility will be progressively reduced to 135 miltion ECUs at the end of the third year, 70 million ECUs by the end of the fourth year and zero at the end of the fifth year. Theoretically, mand for funds, emanating from a vever, six-month notes could be sold the day before they expire, producing a maximum life for the ECU operation of 5½ years.

Credit National is to give 10

EUROBONDS

"Because of the Fed's long-term

commitment to money growth tar-gets, a significant decline in the

gets, a significant, the cost of overnight funds rate (the cost of overnight money) in the next several weeks,

though widely anticipated, will de-pend upon moderation in the de-

and, most troublesome to the slowing economy, rather than upon an enlarged provision of reserves by the Fed," he said. doing anything to reverse the There was no shortage of

days notice before drawing ECUs, which will be in minimum With the cost of short-term amounts of 40 million. During the money gyrating neward, the cost of holding bonds paying 14-to-16 first seven business days of that 10-day period, a group of dealers (led by Goldman, Sachs and inpercent annual interest with bor-rowed short-term cash became prohibitive, and dealers sold what cluding seven of the nine managers of the credit facility) will endeavor inventory they could to escape to sell three- or six-month notes from the squeeze. This was espe-cially true in New York, where (the choice is Credit National's) on a "best efforts" basis. bond prices plummet

By contrast, Eurobond prices were relatively more stable. Deal-ers here maintain that their bond inventories are minimal. The bonds that have been issued, the report, have been sold to fina investors who are less likely to flo their holdings onto the market just because of a blip in interest rates. But from all outward sign these investors were not rushin into the market to buy more pape at a discount but were sideline ptical. The acid test for how the economy is slowing, he used, will be how the demonstration waiting to see where rates settle The damage from the gyration in interest rates over the past tw years is that no one is anymore willing to "take a view" about where the market is headed, but rather will only react to the day-today trend in rates. Bond market 'open" when rates blip lower an slam shut when they blip up. The only active sector of the market is equity-linked converti-

(Continued on Page 15, Col. 6)

form Credit Lyonnais how much they were able to sell. Whatever amount is unsold will be allocated to the banks participating in the credit facility on the third day before drawdown.

shoes.

The dealers will earn a commission of % percent on the amount of notes they have placed, and they will make a market in the ECU notes.

The dealer group will then in-

The notes will be sold to investors in minimum denominations of 250,000 ECUs at the ECU interbank offered rate. This represents some inducement to purchasers because they would get only the in-terbank bid rate if they went to make a deposit in ECUs, and deposits generally are in denomina-tions of 1 million ECUs. The difference between the bid-offered interbank rate is about % percentage point.

Banks participating in the credit facility earn a quarter-percent "stand-by" commission on any un-drawn portion of the ECU loan. On any amount of drawing that is placed in the form of notes, they will get an "underwriting" fee of % percent. On any amount they lend to the borrower directly, they will earn a commission of 1/2 percent

If the notes are not sold and banks are called on to supply the funds and if the banks do not have the ECUs to lend, Credit Lyonnais says it will attempt to provide them with the necessary amount of ECUs. Conditions on that transaction will be negotiated between the banks.

From Credit National's point of view, the cost is identical whether dealers sell the notes to investors or whether banks advance the credit. The reason for going through all these complications is that the the French government

(Continued on Page 15, Col. 6)

0.2721 U.A.E. dirbom 3.672

CURRENCY RATES

	5	2	DAL	F.F.	HL.	Giðr.	B.F.	S.F.	
Amsterdam	2,461	5.079	111.19 •				4.763 *	129.63 * 19.096	2
Brussels (a)	39.525	74.20	16.3927	4.905	129 • 2.005 x	14,741 89,98 *	6.182 -	116.45 *	31
Frankteri	24115	451	4 5617	-2.18 -	2.347.30	5.8605	74.45	19852	14
Londoe (b)	1,9957	2274.80	475.12	297.99	2.07.00	448.95	36.413	586.10	15
Milen	1,201.30	2,274,00	478.12		Closed *				
New York Paris	5.724	10.653	257.41 *		4.767 x	212.65*	14,477 *	276.65 -	7
Zurich	2.0685	1977	85,85%		0.1719	77.1684 *	5.7294		27.3
ECU .	1.0443	0.5514	2.522	5.9875	1,256.27	2.8039	41,2222	2.1459	7.5
			D	ollar V	alues				
۶. G		Per	- 5	Corre	acy Pe		s uiv. Cu	CLERCA	
Deply.		U.S.S	Equiv.			-			
	trelien \$	1,175	0.0651		thekel 11.3			icon rand	
	an schillte		0.0044		le yes 220		-	reas was	
	R fill Stop		3.5348		diner 0.2				
	edice \$	1.2026	0.4272					lich izrona	
	ish krone	7,575	8.1654	Pail r	1.00 1.00 1.00			iterin S	
	dsb mark dearbonn	4.477	8.5297 a m 54		namia 63.			al baint	2

mis needed to buy one pound. (*) Units of 140. (x) Units of 1,900. (a) Commercial franc. (b) Au

Sandi riyal S.D.R.

3412

0.2751

5.5915

Litt

irish £

£ Sherikan: 1.2505 icish £.

0.9179

1.512

U.S. \$100,000,000

duced steel.

market.

GenFinance N.V.

(Incorporated with limited liability in The Netherlands)

Floating Rate Notes Due 1992 Guaranteed on a Subordinated Basis as to payment of principal and interest by



Société Générale de Banque S.A./ Generale Bankmaatschappij N.V. (Incorporated with limited liability in Belgium)

European Banking Company Limited Credit Suisse First Boston Limited Société Générale de Banque S.A./Generale Bankmaatschappij N.V.

Creditanstalt-Bankverein Banca Commerciale Italiana

Deutsche Bank Aktiengesellschaft Merrill Lynch International & Co.

Mitsubishi Bank (Europe) S.A. Salomon Brothers International

Amro International Limited

Morgan Stanley International Samuel Montagu & Co. Limited Société Générale

S. G. Warburg & Co. Ltd.

1

Algemene Baok Nederland N.V.	American Express Banl Interational Group	k A. E. Ames & Co. Limited	Arab Banking Corporation (ABC)
Bank of America International Limited	Bank of Boston S.A.	Baak Brussel Lambe	rt N.V. Bank of Tokyo International
Bankers Trust International Limited	Banque Française du C	Commerce Extérieur	Bauque Générale du Laxembourg S.A
Banque Internationale à Laxemb	ourg S.A. Bang	ne Nationale de Paris	Banque de Paris et des Pays-Bas
Banque de l'Union Europienne	Bauque Worms	Baring Brothers & Co.,	Bayerische Landesbank Girozentrale
Bear, Stearns and Co. Cai	isse des Dépôts et Consignations	Chase Manhattan	Chemical Bank International CIBC Group Ciminal
		tal Illinois Costuty Ba	unk Crédit Commercial de France
Crédit Industriel et Commercial	Crédit Lyonnais Cred	It Suisse First Boston (Asin)	Dai-Ichi Kangyo Bank Nederland N.V.
	G Bank Dillon, Re	ad Overseas Corporation	Dresther Bank First Chicago Aktimum Limbut
Fuji International Finance Listed	Genossenschaft	tiche Zentralbank AG	Antony Gibbs & Sons, Ltd.
Girozentrale und Bank der österri Aktimumiktad	ickischen Sparkassen Goldm	an Sachs International Corp.	Hill Samuel & Co. IBJ International
Kidder, Peabody International Limited	Kleinwort, Bestson	Kredietbank N.V.	Krediethank S.A. Laxembourgeoise
Kuwait International Investment	Co. s.a.k. Lloy	yds Bank. International Linked	London & Continental Bankers
Manufactorers Hanover	Morgan Grenfell & Co.	Morgan Guaranty Ltd	National Bank of Abu Dhabi
The National Commercial Bank Sent Ambin	The Nikko Securities	i Co., (Europe) Ltd.	Nippon Credit International (H.K.) Ltd.
Nippon European Bank S.A.	Nomura International Linned	Nordic Bank Orion	
Rabobask Nederland	N. M. Rothschild & Sous	Sanwa Bank (Under	
J. Henry Schroder Wagg & Co.	Smith Berney, 1	Harris Upham & Co.	Sumitome Finance International
Swiss Baak Corporation Internet		Kobe Bank (Luxembourg) S.A	. Vereins- und Westbunk

Ţ

Page 12

INTERNATIONAL HERALD TRIBUNE, MONDAY, JULY 6, 1981

Gulf's Past Mistakes McAfee: A Change **Hinder Operations**

(Continued from Page 11)

conceded. Gulf has the particular disadvantage of never having had access to Saudi Arabia's huge crude supplies - at \$32 a barrel the cheapest crude oil available in the world. In what turned out to be the company's biggest mistake ever, 50 years ago, Gulf spurned an offer to enter the desert kingdom as one of its first petroleum producers

More than other major oil companies, Gulf has traditionally preferred to grab the bulk of its profits from finding and producing oil. Just 10 years ago, the company had considerably more crude than it could refine and market itself, and was in the enviable position of peddling its surplus.

Steady Decline

But now, not only is worldwide production slashed, but also, analysts think, there is little likelihood that Gulf will be able to halt the steady decline in its U.S. production

Another often-cited trap is a 1964 natural gas sales contract under which Gulf must sell 24 percent of its gas for 19 to 22 cents a thousand cubic feet to Texas Eastern Transmission, substantially below its average price of \$1.71.

Mr. McAfee said that the contract ends in 1986, and early renegotiation is likely. "It is in the interests of Texas Eastern to renegotiate oow in order to have access to significant additional gas at the end of this contract," he said.

Mr. McAfee acknowledged Gulf's problems, but is optimistic. "Although flattening out the decline in domestic production is proving to be frustratingly difficult, it is a challenge we must overcome," he told analysts last December.

In particular, Gulf believes there is considerable promise in the Overthrust Belt of the Rocky Mountains, the Gulf of Mexico and a bevy of other areas so secretive that Mr. McAfee does not discuss them.

Domestically, then, the company is counting on loads of screndi-pity laced with the latest in geophysics and petroleum engineering and a tough bargaining postion.

I Incomnetitive

Worldwide, Gulf's problem is akin to trying to compete in the lemonade business if your biggest competitors can buy lemons for a dime when you have to pay 15 cents. Further, people are drinking reached. less all the time and you have to slash prices to sell any at all.

A money-losing proposition? Of

course, Eccon, Mobil, Texaco and the Standard Oil of California the four biggest oil companies in the United States — buy the bulk of their crude oil from Saudi Arabia at \$32 a barrel. Gulf gets the majority of its foreign crude from West Africa at \$40 a barrel. And, given an inability to pass on these full costs in today's highly competitive environment, it loses \$3.50 or more on each barrel of Nigerian oil it refines.

Largely because of this, Gulf lost \$197 million from U.S. refining and marketing operations in the first quarter, versus a profit of \$142 million in the first quarter of t 980.

Gulf's strategy for dealing with the squeeze is first to reduce the amount of oil its buys from Nigeria to the lowest level permitted under its contracts, and second, to press hard to convince Nigeria to lower its price. Oil experts seem to agree that African petroleum prices are on their way down. "It's go! to come down from where it is now," John H. Lichtblau of the Petroleum Industry Research Foun-

dation said. Additionally, Gulf is cutting its refining capacity. Worldwide, ca-pacity has fallen 20 percent in five years, and domestic capacity has been cut 8 percent with the closing of two refineries last year.

Canadian Ouestion

For future crude supplies, Gulf is counting on an extrapolation of some existing trends. By 1985, it expects its daily outpot from Nigeria, the company's biggest source of crude, to increase by 50 percent from last year's 112,000 barrels a day, and North Sea daily output is expected to double by 1984 from this year's 35,000 bar-

any case, he said.

Long-Term View

ing its future for a comfortable

Does this mean Gulf is sacrific-

The big question mark in terms of exploration and production is Canada, where price controls hamper profit potential and more important — a new energy policy is making it very difficult for U.S. companies to operate, partly by giving Canadian-owned companies financial incentives to explore in treacherous frontier areas that are oot available to U.S. companies.

present? "It is a great temptation to put everything we've got into the immediate, short-term quick payoff items," Mr. McAfee said. Gulf, which has major interests in two of Canada's hottest frontier Nonetheless, Gulf continues to be plays, Hibernia and the Beaufort. beavily involved in the Rio Blanco Sea; acknowledges that it has shale oil project in western Coloralooked into a variety of ways to increase Canadian ownership, but it says no solid plan has been do, in partnership with the Standard Oil of Indiana, and predicts

that the project may yield 50,000 barrels of synthetic oil a day by Mr. McAfee noted that Gulf would be eligible for the frontier incentives if it "farms out" a ma-1987.

In Image New York Times Service Five years ago, Gulf directors, each with a lawyer by his side, huddled in Pittsburgh to deal with one of the biggest corporate scandals ever.

At issue was Gulf's secret, and illegal, generosity to a host of powerful politicians of both parties over a 15-year period. High-living lobbyists, a myste-rious Gulf subsidiary in the Bahamas and suspicious gifts

to the Nixon White House were all involved. The result was the removal of chairman Bob Dorsey and three other top executives.

Jerry McAfee, the man who replaced Mr. Dorsey as Gulf's chairman, has devoted a great deal of his tenure to closing the book on this sorry chapter. "I had to spend whatever time was required toget those things properly behind us," he said. Those who watch the company think he has done quite a job. As head of Gulf Canada in those days, he was not touched by the scandal.

The prime purpose of McAfee was to change the image of the company from one guilty of a crime to a decent corporate citizen," Charles C. Cahn, analyst with Sanford C. Bernstein, said, "He has done a good job."

Today, Mr. McAfee is able to boast that Gulf, as a corporation. makes no campaign coorributions and does not even maintain a political action committee. Instead, be says, the company is cootributing expertise, partly through his personal contacts with all three Energy Secretaries who have held the office.

"It is possible to participate effectively in the governmental process by making contributions of other things than money." he said

jority portion of its ownership to Canadian-owned companies, in re-turn for those Canadian compawatching closely to see if Gulf will pull back more - close another big refinery, for example, or abannies picking up the check for drill-ing the well. Because of the big ex-pense of drilling in difficult offshore areas, Guif would have doo more markets. Since 1970, Gulf has shut down 20,000 gas sta-tions, 14,450 of them in the United States. farmed out much of its acreage in

Intriguingly, Mr. McAfee, who said he "hopes" that directors may soon raise the dividend, disclosed Capital, Mr. McAfee said, is the company's major, almost un-quenchable need, despite its curthat Gulf is "seriously considering" buying a block of its own stock, something the company did in 1973 when it bought back \$341 rent large pool of cash. Both Gulf and Gulf Canada will soon have to go to the debt market, he said, and the company is cutting back exmillion worth. This would tend to bolster the stock price by increaspenditures for projects with an uning earnings per share, a key detercertain payout - among others, most synthetic fuels projects, minant of share prices.

Jerry McAfee

But such a move would also represent a deliberate shrinking back of the size of the company, almost an admission that shareholders might find a better way to spend the money than Gulf itself could.

Brazil's Inflation Slows

RIO DE JANEIRO - Brazil's inflation rate slowed for the third successive month in June, falling to an annual rate of 117.3 percent from 120.2 percent in May, according to figures published Saturday by the independent Getulio Vargas Foundation. Over the short term, analysts are

U.S. Increases Oil Reserve at Record Rate In 1979 a post-revolution slump in Iranian oil sales caused panic buying by oil companies, and the resulting shortage doubled the OPEC price within the year.

· · · ·

By Nicholas Moore Reuters

WASHINGTON - The U.S. garded as adequate. government is increasing its oil reserves at a record rate and is encouraging its allies and the major to see it our way," Edward Morse, oil companies to do the same, U.S. officials say.

Officials said in recent intersaid views that despite the current world oil glut, the United States enthusiastic. was concerned that a new supply crisis could be encountered within a few years.

Energy Secretary James B. Edwards' special assistant, Ben-Rusche, said the United States was filling its strategic petroleum reserve at a record average rate of 200,000 barrels a day.

"We are moving vigorously lo take advantage of a soft market, without overdoing it and bidding it up, and there is no question we press agency said Saturday. would like the industry to do likewise," he said.

In a three-paragraph dispatch, Notimex said the Minsitry of Na-U.S. allies and major oil compational Properties and Industrial nies are being urged to take advan-Growth had stated that "the contage of the present glut to build

their crude oil stocks to a record They face the cost of maintaining high stocks and crude oil prices that, despite recent reductions, still 120 days supply against the 90 days that until now has been reaverage more than 534 a barrel against \$2 dollars a barrel a decade "Not all share our view, but we are hopeful our partners will come **ág**ð,

But Mr. Morse said he believed that only high Western and Japadeputy assistant secretary of state, nese stocks last autumn prevented. a replay of the 1979 energy crisis But the oil companies are less. when the Iran-Iraq war broke out.

France Gets Threat From Mexico United Press International

tract for the supply of Mexican oil to France is part of a wider economic cooperation agreement between both governments."

Because of the French state oil company. Total's decision not to accept the \$2-a-barrel price increase in crude that it buys from Mexico, Notimex said French companies "will withdraw from participation in the Mexico City subway, automobile production and reactors for Mexico's nuclear program."

been a major factor in creating the present oil glut. Although demand will increase with any revival in economic output, officials at the Energy and State departments doubt this will be enough to create a tight market for about three

VCARS. But the Reagan-administration has sought an early Energy De-partment review of U.S. con-tingency planning sgainst future interruptions of oil supply.

The sluggish economic perform-ance of the Western economics has

Saudi Arabia, the higgest ex-porter, while pursuing price moderation and pledging oil sup-plies to the West, has in the past criticized Western oil stockpiling. U.S. officials said that such criticism was now less in evidence and that there was no sign the Saudis were ready to cut oil production

terials but comparatively small amounts of foreign manufactured goods. Last year, only 22 percent

of its imports were in manufac-timed goods. The percentage was 55 percent in the United States, and 44 percent in Editope. That low level is a major factor in the united States.

in the trade deficits that Western

countries suffer with Japan. The United States had a \$10 billion

deficit with Japan last year. En-rope's was \$11 billion.

These deficits have prompted both Europe and the United States

to demand that Japan open up its-market, and there have been bhint

Japan's Trade Laws Frustrate Businessmen of total imports. It imports large quantities of oil and other raw ma-

(Continued from Page 11)

in products bought annually by Nippon Telephone & Telegraph. Sioce the agreement went into effect in January, the company has abided by the rules and advertised fires in rural areas. bids for foreigners. But U.S. businessmen complain the bids close after 30 days, not long enough to prepare an offer. A Houston company received an ad for computer equipment two weeks after it was offered, took one week to prepare its bid, and mailed it in. It arrived one day after the bids closed. The other side of that coin is

that few U.S. companies compe-tent to bid on sophisticated electronic equipment have offices here. So far as could be learned, no U.S. company has opened an office here since January specifically to take advantage of the new market.

Long a citadel of protectionism, Japan, under pressure from foreign governments, began dismantling tariffs and quotas in the 1970s. When the new agreements reached under the Tokyo Round of trade negotiations are in place, Japan's market will be technically as open to foreign sellers as the U.S. and European markets.

Agricultural commodities are an exception. Japan's market is still studded with quotas and tariffs on farm products, reflecting the pow-er Japanese farmers wield in poli-tics here. Finished leather goods also are protected strongly.

But many businessmen insist that Japan imposes excessive testing and safety rules that have the effect of discouraging foreign companies from entering the market.

For example, U.S. automobile companies insist that the price of their vehicles is inflated beyond the competitive edge by Japan's

strict safety requirements. Japan requires a special heat-shielding device around every car's catalytic converter. Americans say it is not necessary. Japanese say it is need-ed to prevent heat generated at high speeds from causing brush

MEXICO CITY - Mexico plans

to ban French companies from

working on government projects

and suspend economic coopera-

tion agreements in retaliation for

France's refusal to accept an oil

price increase, the official Notimex

Added Cost

Needed or not, the heat shield adds about \$250 to the price of each Chrysler brought into Japan, a company spokesman said. It costs only \$45 on a Japanese car because it is installed in large volumes in Japanese factories.

Other impediments seem more blatant, Although U.S. tobacco is eagerly sought here, the Japan To-bacco and Salt Monopoly, a government corporation, has a vested interest in keeping it out. The monopoly insists that each outlet selling foreign tobacco must have a certain amount of capital and must be located where there is a certain amount of daily passersby as potential customers. It almost must order at least 30 cartons of cigarettes a month from foreign sup-

pliers. The monopoly argues that such rules are needed to protect the outlet from going bankrupt. Such paternalism has the effect of permitting only about 14,000 outlets to deal in foreign tobacco. Under foreign pressure, the monopoly has agreed to bend the rules "flexibly" to permit about 20,000 outlets to ndle foreign tobacco by the end of this year.

Gradually, some of the barriers have been wom down by persis-tent outside pressure over the years. Mr. Zimmerman cited a case in the obarmaceutical industry in which, at one time, foreign companies had only one year of protection from competitors when they submitted new products for testing

and monitoring in Japan. Japanese companies enjoyed three years of protection for newly licensed drugs. Under pressure, the Ministry of

Health and Welfare agreed to make it six years for both foreign and domestic producers. "We are now in an equal position and a better position," Mr. Zimmerman said.

Amid falling tariffs, fading quotas and persistent outside pressures, Japan in the '70s increased. substantially its imports of manufactured goods. They more than doubled between 1970 and 1979. But in 1980, they actually declined by about 2.5 percent from the year before, a retreat Japanese attribute to slimping demand here.

Even after a decade of change, Japan remains far behind Western. industrial nations in terms of manufactured imports as a proportion-

Economists Critical of Bonn Policy

Reners BONN - A committee of eco-nomic advisers Sunday gave the. West German government a special report that criticized the government's high borrowing and the Bundesbank's policy of high interest rates, sources said. Opponents of the high interest

policy say it is preventing the country from pulling out of reces-

The sources said the new report also strongly urged more moderate wage settlements. But a committee member said criticism of trade unions over high wage agreements split the group and one of the economists submitted a dissenting opinion.

The committee, five universitycent.

ration if policies on growth, price stability, balanced trade and full employment appear endangered. This is the first time since 1977

that the group has presented a special report on its own initiative. The report comes at a crucial moment because the government will begin discussing major public spending cuts for the 1982 budget later this month.

Last December, the committee. predicted a recession of less than 1 percent of the gross national product in 1981, but the government now expects a downturn of 1.5 per-

. .

1. A. A.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

Trade Delicits

warnings from some European countries that Japan must open the door wider or face spreading, overt protectionism. The Japanese Portion Ministry has responded by insisting that, as measured by tariffs and quotas, Ja-pan's market is as open as others.

conomists, provides a statistical basis every year for the govern-ment's budget strategy and makes recommendations to the adminis-



[These securities have not been offered or sold in the United States or Canada. All of these securities having been sold, this announcement appears as a matter of accord only t

The City of Winnipeg (CANADA)

U.S. \$50,000,000

1534% Debentures due June 30, 1988 Series UU **Issue Price 100%**

Wood Gundy Limited

Deutsche Bank Aktiengesellschaft

Richardson Securities of Canada (U.K.) Limited

Salomon Brothers International

Swiss Bank Corporation International Limited

Arnhald and S. Bleichtereite, Inc. Bache Halsey Stuart Shurkis Bara a Commentational Bara Andreas Stuart Shurkis Bara Leaded Bara Manager Physical Construction and the Paris Bara Leaded Bara Manager Physical Construction and the Paris Bara Leaded Bara Manager Physical Construction and Stuare Stuart Shurkis Bara Leaded Bara Manager Physical Construction and Stuare Stuart Shurkis Bara Leaded Bara Manager Physical Construction and Stuare Stuart Shurkis Bara Leaded Bara Manager Andreas Stuart Shurkis Bara Leaded Handels- and Frankfurter Bara Manager Construction and Stuare Stuart Shurkis Bara Leaded Construction and Stuare Stuart Shurkis Bara Leaded Bara Manager Andreas Stuart Shurkis Bara Leaded Bara Manager Construction and Stuare Stu	Alahli Bank of Kuwait K.S.C.	Algemene	Bank Nederland N.V.	A.E. Anne	
Bank of America International Lamed Bank Brussel Lambert Bank Marker Tresh International Lamed Bank Unline Bark Lambert Bank Lambert Bank Lambert Bank Lambert Bank Gutzwiller, Korz, Bungmer (Overseas) Bank Multine Bark Lambert Bank	Amhold and S. Bleichroeder.				
Bank Guizwiller, Kerz, Bungamer (Overseas) Bank Julius Baer Envernational Bank Let International Lat. Banque Arube et Internationale d'Investissement (B.A.I.I.I. Banque Nationale de Latvembourg, S.A. Banque Nationale de Paris Banque Control of Unvestissement (B.A.I.I.I. Banque Internationale de Latvembourg, S.A. Banque Nationale de Paris Banque Voinse de Cersion Financière, B.P.C.F. Banque Worms Banque Voinse de Cersion Financière, B.P.C.F. Banque Worms Barreits de Voinse des Stand Barring, Brothers & Co Banque Privee de Gestion Financière, B.P.C.F. Banque Worms Barreits de Voinse das Bank (Winne de Voinse das Bank Court) Barring Brothers & Co Barreits de Voinse des Stand Kienge-de Manh Barreits de Voinse das Bank (Winne de Voinse das Bank Court) Barreits de Voinse des Stand Kienge-de Manh Barreits de Voinse das Bank (Winne de Voinse das Bank Court) Barreits de Voinse das Bank (Winne de Voinse das Bank Voinse de Voinse das Bank Landed) Creditanstalt-Bankverein Groth Loonnais Gredit Suisse First Boston Londer de Voinse das Bank Bank Bank Bank Bank Bank Bank Bank				rt N.V.	
Banque Arabe et Internationale d'Investissement (B.A.I.1.1 Bumpnet Generale du Lavembourg S.A. Banque Internationale & Lavembourg S.A. Banque Nationale de Pars Banque Vours Banque	Bank Gulzwiller, Korz, Bunge	mir [Overseas]			
Banque Pnpulaine Striese S.M. Lavembourg. Banque Privese de Gestion Financiere, B.P.C.F. Banque Worms Bar, Lays Bank, Cnaup Baring, Brothers & Co. Bayerische Hypotheken- uni Werhsel-Bank Lander Medels-und Fraukfurter Bank Blyth Bastuar Paire Woffer (BC) Cheste Manhaulan Lander (Cheste Manhaulan Lander) Chemical Bank International Group (Citicorp International Gnup) Continental Illinois Country Bank Creditanstal Park (Capital Managemont) Credit Lyonnals Credit Suise First Boston Dailer hi Kangyo Bank Netherland N.V. Daiwa Bank (Capital Managemont) Richard Daws & Ce. Bankiers Den Danske Bank Deutsche Girozentrale DG Bank Dillon. Read Overseus Corporation Dominion Securities Landed Londer Londer Londer History International Context Status (Capital Managemont) Creative Context Scorporation Dominion Securities Landed Corporation Company Gefina International Context Scorporation Dominion Securities Landed Londer	Banque Arabe et International	ed'Investissement (8			Banquet Generale du Luxembourg S.A.
Baring, Brothers & Co Bayerische Hypotheken- und Wichsel-Bank Alte newele kalt Brothers & Co Brothers & Sons. Brothers & Brothers & Sons. Brothers & Brothers & Brothers & Sons. Brothers & Brot	Bangue Internationale à Luxes	nbourg S.A.	Banque Nationa	le de Paris	Banque de Paris et des Pays-Bas
Berliner Handels- und Fraukfurtier Bank Blyth Eastman Parke Wehrer CBC Classe Manhattan Chemical Bank International Group Citleori International Group County Bank County Bank Creditanstal-Bankverein Crédit Lyonnais Credit Suisse First Boston Dai-Irbi Kungyo Bank Netherhalt N.V. Daiva Bank (Capital Management) Richard Daus & Ce. Banking: Den Danske Bank Deutsche Girozentrale DG Bank Dillon. Read Overseas Corporation Dominion Securities Deutsche Girozentrale De Bank International Group Cellesteries Corporation Dominion Securities Devel Bank Corporated European Banking Company Gefina International Genussenschaftliche Zentrale Linded Drevel Bunk European Banking Company Gefina International Genussenschaftliche Zentrale Linded Creenshields Incorporative Groupement des Banquiers Prives Genevuis Hambros Bauk Handelsbank N.W. (Overseas) Isanted Linded Linded Linded Linded Linded Iagenet Handersbank Hill Samuel & Co. E.F. Hutton International Inc. IB International Corp. Astroperiel Staft Linded Linded Linded Linded	Banque Populain: Soisse SAL	arxembourg Banqu	e Prives de Gestion Fina	ncière, B.P.G.F. – Ba	aique Worms — Barclays Bank Griup
Berliner Handels-und Fraukfurter Bank Blyth Eastman Paine Wichfer CBC Cheise Manhattan Landed Chemical Bank International Group Citicorp International Group Continental International Internatine	and item			in had-Bank	
Creditanstalt-Bankverein Grédit Lvonnais Credit Suisse First Boston Turinds Lunided Dai-Urbit Lunided Dai-Urbit Lunided Suiteris Daiva Bank (Capital Management) Richard Daus & Ce. Rankters Den Danske Bank Dai-Urbit Den Danske Bank Den Danske Bank Lunided Den Danske Bank Lunided Den Danske Bank Lunided Antony Gibbs & Sons, Ltd. Groupement des Banquiers Privis Genevuis Lunided Genussenschaftliche Zentralbank AG Lunided Genussenschaftliche Zentralbank AG Lunided Senussenschaftliche Zentralbank AG Lunided Hessische Landesbank Hill Samuel & Co. E.F. Hutton International Lunided Hill Remational Lunided Lunided Lunided Jaantei Kidder, Peabody International Lunided Kidder, Peabody International Lunided Kiduer Des Senson Kredietbank N.V. Kredietbank S.A. Luxembourgeoise Kulun Loeb Lehman Brothers International Lunided Lunided Morgan Genefiel & Co. Longed Lunided Nerviell Lynch International Lunided Manulacturers Hanover McLend Young Weir International Lunided Morgan Genefiel & Co. Morgan Genefiel & Co. Morgan Genefiel & Co.	Berliner Handels-und Frankfu		Blyth Eastnan Paine V		CIBC Chrise Manhattan
Daiwa Bank (Capital Management) Richard Daus & Ce. Bankuers Den Danske Bank Daiwa Bank (Capital Management) DG Bank Dillon. Read Overseas Corporation Dominion Securities Deutsche Kommunaliani Drutsche Grozentrale Dominion Securities Lindied Deutsche Kommunaliani Drutsche Grozentrale Dominion Securities Lindied Deutsche Kommunaliani Drutsche Grozentrale und Bank Der Osterreichischen Sparkassen Guldman Sachs International Corp. Antony Gibbs & Sons, Ltd. Grozentrale und Bank Der Osterreichischen Sparkassen Guldman Sachs International Corp. Creenshields Incorporatist Grozentrale und Bank Der Osterreichischen Sparkassen Guldman Sachs International Corp. Hessische Landesbank Hill Samuel & Co. E.F. Hutton International Inc. IBJ International Landed - Grozentrale und Bank Kidder. Peabody International Kleinwort, Benson Kredielbank N.V. Lindied Lindied Landed Lindied Lindied Austrusterijk Lindied Lindied Lindied Lindied Hessische Landesbank Kilder. Peabody International Kleinwort, Benson Kredielbank N.V. Lindied Lindied Lindied Lindied			•	•	
Deutsche Girozentrale Deutsche Girozentrale Deutsche Kommunalizah Deutsche Kommunalizah Antony Gibbs & Sons. Lui. Girozentrale und Bank Der Osterreichischen Sparkassen Creenshields Incorporated Groupement des Banquiers Prives Genevuis Hambros Bauk Hessische Landosbank Girozentrale und Bank Der Osterreichischen Sparkassen Guldman Sachs International Corp. Akterupeerleich aff Groupement des Banquiers Prives Genevuis Hambros Bauk Hessische Landosbank Girozentrale Hessische Landosbank Girozentrale Hessische Landosbank Girozentrale Hessische Landosbank Hill Samuel & Co. Landed L			է պատե	1	
Theorem United Linited Linited Drevel Burnham Lambert European Banking, Company Gefina International Genussenschaftleine Zentralbank AG Antony Gibbs & Sons, Ltd. Girozentrale und Bank Der Osterreichischent Sparkassen Guldman Sachs International Corp. Antony Gibbs & Sons, Ltd. Girozentrale und Bank Der Osterreichischent Sparkassen Guldman Sachs International Corp. Creenshields Incorporated Groupement des Banquiers Prives Genevuis Hambros Bauk Handelsbank N.W. (Doerseas) Hessische Landesbank Hill Samuel & Co. E.F. Hutton International Inc. IBJ International Japan International Bank Kidder. Peabody International Kleinwort. Benson Kredietbank N.V. Kredietbank S.A. Luxembourgeoise Kulun Loeb Lehman Brothers International Lonited Kuwait Foreign Trading Contracting & Investment Co., (S.A.K.) Lazard Brothers & Ca., Lloyds Bank International I.mated Manulacturers Hanover McLand Young Writ International Merck. Finck & Co. I.mated Lamited Lamited Lamited Lamited I.mated Manulacturers Hanover McLand Young Writ International Merck. Finck & Co. Kuwait Foreign Trading Contracting & Investent Lam	Limited				-
International Antony Gibbs & Sons, Ltd. Catalogical Groupement des Banquiers Prives Genevuis Auteuprefisichen Sparkassen Culdman Sachs International Corp. Creenshields Incruporated Groupement des Banquiers Prives Genevuis Hessische Landesbank Hambers Bauk Handelsbank N.W. (Overseas) Lumited Handelsbank N.W. (Overseas) Lumited Hessische Landesbank Hill Samuel & Co. E.F. Hutton International Inc. IBJ International Lumited Japan International Bank Lienderi Japan International Bank Kidder. Peabody International Lumited Kleinwort. Benson Lumited Kredielbank N.V. Kredietbank S.A. Luxembourgroise Lumited Lumited Lumited Lumited Kuwait Foreign Trading Contracting & Investment Co., (S.A.K.) Lazard Brothers & Cat., Lumited Lloyds Bank International Lumited Lowds Bank International Lumited Merck. Finck & Co. I.TCB International Lumited Manulacturers Hanover McLand Young Wir International Lumited Merck. Finck & Co. Morgan Guaranty Ltd Merrill Lynch International & Co. Midland Doherty Lumited Morgan Guaranty Ltd Sal Oppenheim ir & Cre. Nordgens Stanley International Lumited Norddeutsche Landesbank Nordice Bank Lumited Sal Oppenheim ir & Cre. Orinn Bank Pierson, Heldring & Pierson N.V. Pitheld Mackay Ross Lumited Schröder,	- Deutsche Kommunalbank	Deutsche: Germoornes ha	fishink.	-	Linited
Attempretistant Attempretistant Creenshields Incurporated Croupement des Banquiers Prives Genevuis Hambros Bauk Lamited Hambros Bauk Lamited Handelsbank N.W. (Overseas) Lamited Hessische Landesbank Hill Samuel & Co. Lamited E.F. Hutton International Inc. IB [International Lamited Japan International Bank Kidder. Peabody International Lamited Kleinwort. Benson Kredielbank N.V. Kredietbank S.A. Luxembourgroise Kutun Lorb Lehman Brothers International Lamited Kleinwort. Benson Kredielbank N.V. I.TCB International Lumited Manulacturers Hanover McLrod Young Writ International Lamited Lowds Bank International Lamited Merck. Finck & Co. Merrill Lynch International & Co. Midland Doherty Morgan Grenfell & Co. Lamited Morgan Grenfe	Insuration	- Latures	• •		Vienna
Hessische Landesbank Ginzentride- Japan International Bank Limited Hill Samuel & Co. Landed E.F. Hutton International Inc. IB International Limited Japan International Bank Limited Kidder. Peabody International Landed Kleinwort. Benson Landed Kredielbank N.V. Kredietbank S.A. Luxembourgeoise Landed Kullin Loeb Lehman Brothers International Landed Landed Kredietbank S.A. Luxembourgeoise Kullin Loeb Lehman Brothers International Landed Landed Landed I.TCB International Lumited Manulacturers Hanover McLand Ynung Weir International Landed Londed Merrill Lynch International & Co. Midland Doherty Morgan Grenfell & Co. Morgan Guaranty Lid Morgan Stanley International Nesbitt Thomson Landed Norddeutsche Landesbank Landed Nordic Bank Landed Sal Oppenheim ir & Cie Landed Orinn Bank Landed Piorson, Heidring & Piorson N.V. Pitfield Mackay Ross Landed Rea Brothers N.M. Rothschild & Sons Landed Landed Landed Landed Landed Landed Landed Orinn Bank Landed Scanditravian Bank Limited Scanditravian Bank Landed Schröder, Münchmeyer, Hengsl & Co Landed Landed Schröder, Münchmeyer, Hengsl & Co Landed Landed	-		Aktionspredischaft	• • • • • • •	· · · · ·
Ginarchink Landed Landed Landed Landed Landed Landed Landed Landed Kredietbank N.V. Japan International Bank Kidder. Peabody International Landed Kidder. Peabody International Landed Kleinvort. Benson Landed Kredietbank N.V. Kredietbank S.A. Luxembourgeoise Kulun Loeb Lehman Brothers International Landed Kulun Loeb Lehman Brothers International Landed International Landed Kredietbank N.V. 1.TCB International Landed Manulacturers Hanover McLand Young Weir International Landed Lloyds Bank International Landed Merck, Finck & Co. Merrill Lynch International Co. Manulacturers Hanover McLand Young Weir International Landed Merck, Finck & Co. Morgan Stanley International Landed Nesbitt Thomson Landed The Nikko Securities Co. (Europe) Lid. Nippon Credit International (HK) Lid. R. Niviscu & Co. Nordacusche Landesbank Nordacusche Landesbank Nordac Bank Landed Sal Oppenheim ir & Cie Orinn Bank Landed Pitson, Heldring & Pierson N.V. Pitfield Mackay Ross Landed Landed Landed Landed Landed Landed Landed Landed Landed Landed Landed Landed Landed La	Creenshields Incorporated	- •	•	Lann Ieri	Limited
japan International Bank Kidder. Peabody International Limited Limited Kredietbank S.A. Luxembourgeoise Kulin Loeb Lehman Brothers International, Inc. Kuwaii Enreign Trading Contracting & Investment Co., (S.A.K.) Lazard Brothers & C., Lloyds Bank International Limited Sons Limited Limited Sanwa Bank [1] nderwriters] Scandinavian Bank Limited Sanwa Bank [1] nderwriters] Scandinavian Bank Limited	- Girozentade -		S Co. E.F.	Hullon Internationa	al Inc. iBj International
Kradietbank S.A. Luxembourgeoise Kulin Lorb Lehman Brothers International, Inc. Kuwaii Enreign Trading Contracting & Investment Co., (S.A.K.) Lazard Brothers & Cac., Loyds Bank International Lumited I.TCB International Lumited Manulacturers Hanover McLeved Young Weir International Lumited Lavited Lumited I.TCB International Lumited Manulacturers Hanover McLeved Young Weir International Lumited Merck, Finck & Co. Merrill Lynch International & Co. Milland Doherty Morgan Grenfell & Co. Morgan Guaranty Lid Morgan Stanley International Limited Nesbitt Thomson The Nikko Securities Co., (Europe) Lid. Nippon Credit International (HK) Lid. R. Nivison & Co. Nnmura International Norddeutsche Landesbank (Grazentate Gazantate Gazantate Gazantate Gazantate Gazantate Gazantate Gazantate Gazantate Lumited Sanwel Bank [1] Inderwriters] Scanditravian Bank Lumited Scons Lumited Schröder, Münchmeyer, Hengsl & Co. Jamited Scanditravian Bank Limited Schröder Wagg & Co. Skamlinaviska Enskilda Banken Smith Barney, Harris Upham International Internation	japan International Bank			Kleinwort. B	
I.TCB International Lumited Manulucturers Hanover Lumited McLaw Young Wirk International Lumited Lumited Merck, Finck & Co. Merrill Lynch International & Co. Midland Doherty Lumited Morgan Grenfell & Co. Morgan Guaranty Ltd Morgan Stanley International & Co. Midland Doherty Lumited Morgan Grenfell & Co. Morgan Guaranty Ltd Morgan Stanley International Lumited Nesbitt Thomson Limited The Nikko Securities Co. (Europe) Ltd. Nippon Credit International (HK) Ltd. R. Nivisun & Co. Nnmura International Lumited Norddeutsche Landesbank Lumited Nordic Bank Lumited Sal Oppenheim ir & Cre Lumited Orinn Bank Pierson, Heldring & Pierson N.V. Pitfeld Mackay Russ Lumited Rea Brothers N.M. Rothschild & Sons Lumited Sanva Bank [Underwriters] Scanditravian Bank Limited Schröder, Münchmeyer, Hengsl & Co Schröder, Münchmeyer, Hengsl & Co J. Henry Schröder Wagg & Co. Skamlinaviska Enskilda Banken Smith Barney, Harris Upham International Incorporated International	Kredietbank S.A. Luxembour	proise			
I.TCB International Lamited Manulacturers Hanover Lamited McLood Young Wy ir International Lamited Merck, Finck & Co. Merrill Lynch International & Co. Midland Doherty Lamited Morgan Grenfell & Co. Morgan Grenfell & Co. Morgan Guaranty Ltd Morgan Stanley International R. Niviscus & Co. Nomura International Limited Nesbitt Thomson Limited The Nikko Securities Co. (Europe) Ltd. Nippon Credit International (HK) Ltd. R. Niviscus & Co. Nnmura International Limited Norddeutsche Landesbank Limited Nordic Bank Limited Sal Oppenheim jr & Cie Limited Orinn Bank Pierson, Heldring & Pierson N.V. Pitfield Mackay Ross Lamited Rea Brothers Lamited N.M. Rothschild & Sons Limited Sanwa Bank [Underwriters] Scanditravian Bank Limited Schröder, Münchmeyer, Hengsl & Co. Smith Barney, Harris Upham International Incorporated	Kuwail Fnreign Trading Contr	acting & Investment C	Co., (S.A.K.) L		Lloyds Bank International
Merrill Lynch International & Co. Midland Doherty Morgan Grenfell & Co. Morgan Grenfell & Co. Morgan Grenfell & Co. Morgan Stanley International Nesbitt Thomson The Nikko Securities Co. (Europe) Ltd. Nippon Credit International (HK) Ltd. R. Nivisun & Co. Nnmura International Norddeutsche Landesbank Nordic Bank Sal Oppenheim ir & Cie Orinn Bank Pierson, Heldring & Pierson N.V. Pitfield Mackay Ross Rea Brothers N.M. Rothschild & Sons Lamited Scanditravian Bank Scanditravian Bank Schröder, Münchmeyer, Hengsl & Co. J. Henry Schröder Wagg & Co. Skamilinaviska Enskilda Banken Smith Barney, Harris Upham International			over McLeek	Young Writ Intern	
Morgan Stanley International Nesbitt Thomson Limited The Nikko Securities Co., (Europe) Ld. Nippon Credit International (HK) Ld. R. Niviscin & Co. Ninmura International International Limited Norddeutsche Landesbank Nordic Bank Sal Oppenheim jr & Cie Orinn Bank Pierson, Heldring & Pierson N.V. Pitfield Mackay Ross Rea Brothers N.M. Rothschild & Sons Lamited Scanditravian Bank Lamited Schröder, Münchmeyer, Hengsl & Co. J. Henry Schröder Wagg & Co. Skamilinaviska Enskilda Banken Smith Barney, Harris Upham International		Co. Midl		Morgan Grenfell &	Co. Morgan Guaranty Ltd
R. Nivisan & Co. Nnmura International Landeri Norddeutsche Landesbank Genzentrate Nordic Bank Landeri Sal Oppenheim ir & Cie Landeri Orinn Bank Pierson, Heldring & Pierson N.V. Pitfield Mackay Ross Landed Rea Brothers N.M. Rothschild & Sons Landed Sanwa Bank [1] nderwriters] Scandinavian Bank Landed Scandinavian Bank Landed Schröder, Münchmeyer, Hengsl & Co J. Henry Schröder Wagg & Cu. Skamlinaviska Enskilda Banken Landeri Smith Barney, Harris Upham International Incorporated	Morgan Stanley International	Nesbill Thomson	The Nikko Securities		Nippon Credit International (HK) Ltd.
Orinn Bank Pierson, Heldring & Pierson N.V. Pitfield Mackay Ross Rea Brothers N.M. Rothschild & Sons Lamited Lamited Lamited Lamited Lamited Lamited Sanwa Bank Limited Scandiscavian Bank Schröder, Münchmeyer, Hengsl & Co Schröder Wagg & Co. J. Henry Schröder Wagg & Co. Skamlinaviska Enskilda Banken Smith Barney, Harris Upham International	R. Nivisan & Co. Namu	ira Inli:malinña)			
Sanwa Bank [1] nderwriters) Scanditavian Bank Schröder, Münchmeyer, Hengsl & Co Limited J. Henry Schröder Wagg & Co. Langing Langing Scanditaviska Enskilda Banken Smith Barney, Harris Upham International			. Pitfield Mackay	Ross Rea Bro	others N.M. Rothschild & Sons
J. Henry Schoder Wagg & Co. Skamlinaviska Enskilda Banken Smith Barney, Harris Upham International Incorporated	Sanwa Bank (Underwriters)		Scandinavian Bank		
	I. Henry Schroder Wagg & Co.	Skamli		n Smil	
		Société	Générale de Banque S.A		
Standard Chartered Merchant Bank Svenska Handelsbanken Union Bank of Switzerland (Securities)	Standard Chartwred Merchant	Bank.	Svenska Handelsbanko	en U	
Unmited Unmite	Vorcios-und Westbank	j. Vontobel & Co.	S.G. Warburg &	Co. Lid. W	
	Aktionpool Sochalt VVostfalenbank Aktionpool Sochalt	Dean Witte	r Revnolds Overscas Lid		Yamaichi International (Europe)
Aktienspecifischelt		Doan Witte	r Reynolds Overscas Lid	•	Yamaichi International (Europe)





U.S. \$94.500.000 FINANCING FOR TWO BOEINO 247.254

LEAD MANAGED BT

CITICORP INTERNATIONAL GROUP BANCO HISPANO AMERICANO, S.A. THE FUJI BANK, LIMITED

GULF INTERNATIONAL BANK B.S.C.

MANAGED BY

THE BANK OF NOVA SCOTIA GROUP THE MITSUI TRUST AND BANKING COMPANY, LIMITED

CO-MANAGED BY

BANCO POPULAR ESPANOL, S.A. THE SAITAMA BANK, LTD.

CITIBANK, N.A. THE FUJI BANK, LIMITED THE BANK OF NOVA SCOTIA CHANNEL ISLANDS LIMITED THE SAITAMA BANK, LTD. BANCO POPULAR ESPANOL, S.A. CAJA DE AHORROS DE ALICANTE Y MURCIA BANQUE NATIONALE DE PARIS (MADRID)

PROVIDED BY

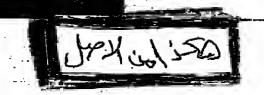
BANCO HISPANO AMERICANO, S.A. GULF INTERNATIONAL BANK B.S.C. THE MITSUI TRUST AND BANKING

BANCO INTERCONTINENTAL ESPANOL S.A. (BANKINTER) BANCO DE SANTANDER, S.A.

BANCO DE ANDALUCIA.

AUSTRALIA - JAPAN INTERNATIONAL FINANCE LIMITED

CITICORP INTERNATIONAL BANK LIMITED



lecord,

INTERNATIONAL HERALD TRIBUNE, MONDAY, JULY 6, 1981 International Bond Prices - Week of July 2

Treasury Bills

Ask

Final Notice of Redemption

OakIndustries International N.V.

81/2% Convertible Subordinated Debentures Due 1995

(Convertible into Common Stock of, and Guaranteed nn a Subordinated Basis as to Payment of Principal, Premium, if any, and Interest by, Oak Industries Inc.)

Redemption Date: July 9, 1981

Conversion Right Expires: July 6, 1981

OakIndustries International N.V. has called for redemption on July 9, 1981 all of its outstanding 8½% Coovertible Subordinated Debentures Due 1995 at a redemption price of 106% of the principal amount of Debentures plus accrued interest through July 9, 1981, for a total of \$1,129.65 for each \$1,000 principal amount of Debentures. The Debentures are convertible into shares of Common Stock of Oak Industries Inc. until the close of husiness on July 6, 1981, at a conversion price of \$23.00 per share or 43.48 shares of Common Stock (adjusted for the 2-for-1 stock split paid March 26, 1981) for each \$1,000 principal amount of Debentures. As described below, based upon current market prices the market of Debentures. As described below, based upoo current market prices, the market value of the Common Stock into which each Debenture is convertible is greater than the amount of cash which would be received upon surrendering a Debenture for redemption. All rights to convert the Debeotures into Common Stock of Oak Industries Inc. expire as of the close of business on July 6, 1981.

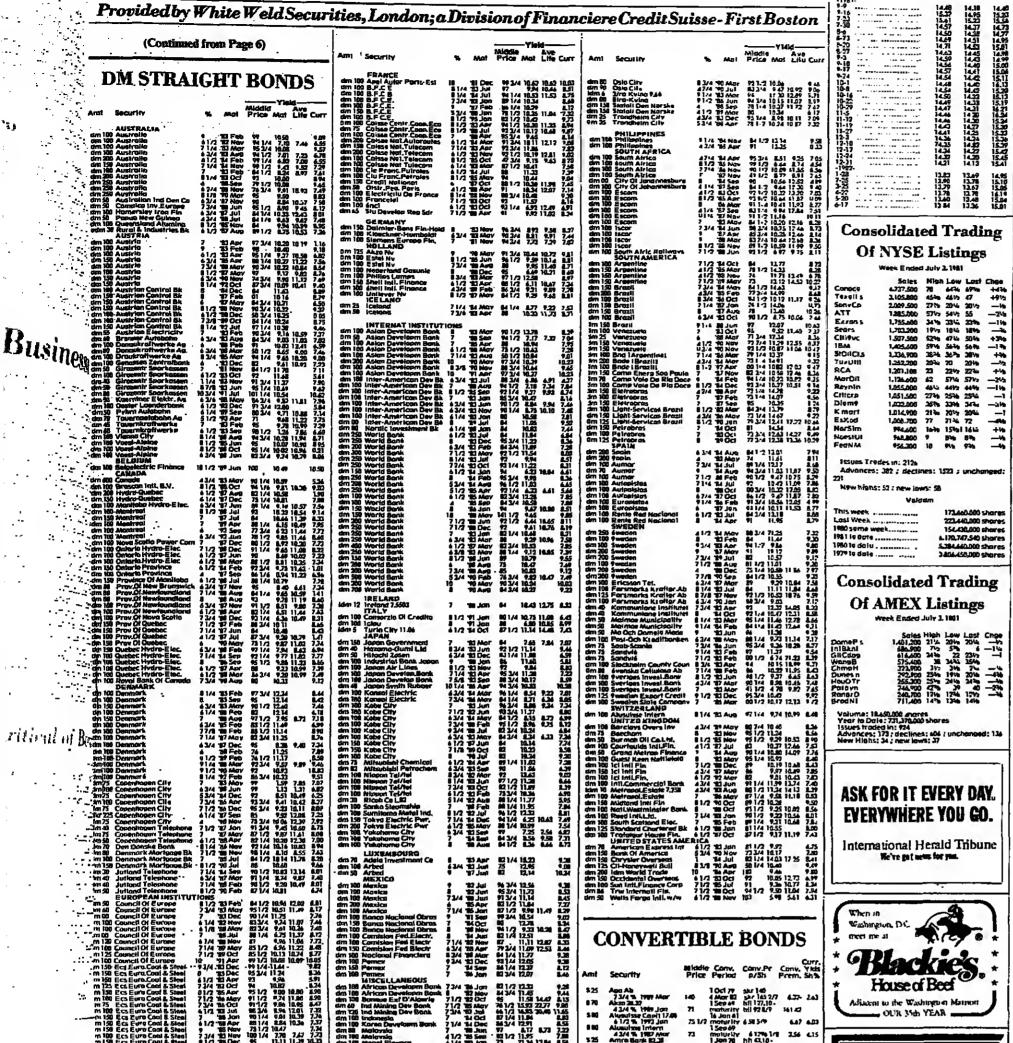
NOTICE IS HEREBY GIVEN to the holders of outstanding 812 % Convertible Subordinated Debentures Due 1995 (the "Debentures") of OakIndustries International N.V. ("International") that in accordance with the terms of the Indenture dated as of Septemher 15, 1980 (the "Indenture"), among International, Oak Industries Inc. ("Oak"), as Guarantor, and Continental Illinois National Bank and Trust Company of Chicago, as Trustee (the "Trustee"), International has elected to redeem all Debentures which remaio outstanding on July 9, 1981 (the "Redemption Date"), at a redemption price of 106% of the principal amount thereof plus company of internet from Sorticrates 1000 therein la 0001 thereof plus accrued interest from September 15, 1980 through July 9, 1981. Payment of the redemption price and accrued interest, which will aggregate \$1,129.65 for each \$1,000 principal amount of Debentures, will be made upon presentation and surrender of the Debentures, together with all interest coupons, at the option of the holder either (a) at the main office of Continental Bank International, One Liberty Plaza, 91 Liberty Street, New York. New York. tclephone: (212) 349-6300, or (h) subject to any laws or regulations applicable thereto in the country of any such office, at the main offices of the additional Paying and Conversion Agents set forth below. Such payments shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment at the offices referred to in (h) above shall be made, at the direction of the holder, by check drawn on, or traosfer to a United States dollar account maintained by the payee with, a bank in the Borough of Manhattan, the City of New York.

On the Redemption Date, the redemption price (plus accrued interest) will become due and payable upoo each Debenture. The Debentures will no longer be outstanding after the Redemption Date. Other than the right to convert Debentures, which expires on July 6, 1981, into Oak Common Stock and the right of holders of Debentures to receive the redemption price and interest accrued to such date, all rights with respect to the Debentures will cease on the Redemption Date.

The election of International to redeem all of the outstanding Debentures is being effected pursuant to the eleventh paragraph of the builtanding Dependences is being effected pursuant to the eleventh paragraph of the form of Debenture cer-tificate. The condition precedent to the right of International to redeem the Debentures pursuant to such eleventh paragraph has occurred hecause the reported last sale price per share of Common Stock, par value \$1.00 per share, of Oak ("Oak Common Stock") on the New York Stock Exchange on each day on which there was such a reported last sale price within the 30 days immediately preceding the 20th day preceding the date upon which this Notice of Redemption was first published was at least 130% of the Conversion Price (as defined in the Indenture) in effect on each such day,

Debentureholders have, as alternatives to redemption, the right to sell their Debentures through usual brokerage facilities or, on or before the close of business on July 6, 1981, to convert such Debentures into Oak Common Stock. The right to convert the principal of the Debentures to be redeemed will terminate at the close of business on July 6, 1981.

The Debentures may be converted into Oak Common Stock at the conversion price of \$23.00 per share of Oak Common Stock (adjusted for the 2-for-1 stock split) which is approximately 43.48 shares for each \$1,000 principal amount of Debentures. In order to effect this conversion, a Dehentureholder should complete and sign the CONVERSION NOTICE on the Debenture, or a substantially similar notice, and deliver the Debenture and signed notice (a) to the main office of Continental Bank International, One Liberty Plaza, 91 Liberty Street, New York, New York, telephone: (212) 349-6300, or (b) subject to any laws or regulations applicable thereto in the country of any such office, to the main offices of the additional Paying and Conversion Agents set forth below. Upon conversion of Debentures, no payment or adjustment will be made on account of any interest accrued thereon or on account of any dividends on the Oak Common Stock issued upon such conversion. Debentures delivered for conversion must be accompanied by all interest coupons.



	n 100 Ecs Euro Coul & Steel 7 1/4 to Nev 100 1/4 7.20 7.4 n 130 Ecs Euro Coul & Steel 7 1/3 120 Dec 61 11.11 11.4 n 130 Ecs Euro Coul & Steel 7 1/3 120 Dec 61 11.11 11.12 n 130 Ecs Euro Coul & Steel 17/1 170 Aur 41 9.77 130 11.12 11.11	2.30 dm 203 Singlader's d. / 2 T2 T	Same The improtect Box Issee 72 Fill 21/4 ADB Sub 1.77 2.87 3.78 5.78 5.78 5.78 5.78 5.71.74 5.74 5.77.74 5.77.74 5.77.74 5.77.74 5.78	Gold Options (mices is \$/or.) Trim Arg. Nor. Color 1200 1620 77.00.3400 Trim Color 1200 1500 17.00.1500 Trim Color 1200 1500 17.00.1500 Trim Color 1200 1500 17.00.1500 Trim Color 07.204.01 200 Trim Color 07.204.01 200 Color 07.204.0
V 41 - A	YDRK (AP)- Bid Ask following quoto- following quoto- for the prices onal Association carl Sins 12.37 13.34 for the prices carl Sins	14.34 15.44 Bir Ask Bir Ask Bir Ask 10.77 11.40 Bir Ask Bir Ask Bir Ask 9.44 10.54 Bir Ask Bir Ask Bir Ask 4.40 7.21 N1 Yhd 8.51 9.22 Pretd 4.21 4.76 6.76 7.29 Mun B 7.22 7.43 Incom 6.07 0.54 7.00 7.24 Opin 13.47 14.72 Stock 9.71 10.46 7.44 8.56 Summin 19.21 20.97 Tox Ex 7.44 8.13 7.34 0.21 Tech 12.25 13.73 NE Life Funder: 1.33	Bid Ask Bid Ask Bid Ask Bid Ask Bid Ask Grwth 1436 NL Unit Accu 545 NL FidE f 40.97 NL Stread 1436 NL Unit Accu 545 NL Scredit 40.97 NL Stread 1436 NL Unit Accu 545 NL Scredit 40.97 NL Stread 1436 1537 Accm 610 9.42 Varrevort Grouper 1.400 1.537 Ind Tr 16.54 NL NL NL NL NL NL 1.400 1.537 Ind Tr 16.34 NL	Ine corporate monogenant of the book a accordingly now assured by: Mr. Artoine JEANCOURT-GAUGNANI, Chainson and chief executive officer, Mr. Genand DANGELZER, Vice-Chairmon and chief executive officer, Mr. Frederic OURBAK, senior executive officer, investment banking.
на 17 11 - 11 - 12 - 12 - 12 - 12 - 12 - 12 -	Bid Ask Tax Map 12.32 (12.2) Find GN Settle pry Cohu Git Cohu Git Gravith L37 H1 L32 Foundes 'n F 22.16 NL Comb AB 1.14 1.22 Foundes Gravith 'n F 22.16 NL Comp Bd 9.28 9.80 Incom Gravith 'n F 27.04 NL Comp Bd 9.28 9.80 Incom Mariat 'ura 15.81 NL Comp Ed 9.21 13 NL Seeci Seeci Founde Funds: Fund Incom 4.07 4.56 7.21 DNTC Brown id 15.87 14.12 Constrain 0.427 4.25 12.00 Utils Brown Brown id 15.87 14.72 Constrain 12.12.00 Utils Brown Brown id 15.87 14.12 Constrain 10.12.12.00 Utils Brown Brown id 17.17 NNL Constrain 10.12.12.12.00 Utils Gravith Incom id E.77 9.67 Cont Mul 1.7.12 Tax Servet <	rs Group: 15,93 NL 25,93 NL 25,93 NL 22,71 NL 24,71	Am Shic 7.34 NL Incomn 9.51 13.25 Wedler 11.80 NL Sai Sha 7.3.6 NL Invest 7.44 8.35 WollSi G 13 8.36 Sai Sha 7.3.6 NL Kender 7.44 8.35 WollSi G 1.3 8.36 Settigmand Group: CapE1 9.38 NL Wein Ep 28.41 NL Brood 12.55 13.54 Comm 7.28 NL Wein Ep 28.41 NL Brood 12.55 13.54 Comm 7.28 NL Wein Ep 28.41 NL Not Inv 4.33 2.90 DB still 7.28 NL Meyer 14.77 NL U Cap H.30 Doveri 50.47 NL dev/erg 47.40 NL U Cap 11.80 Doveri EXEMpt ALT NL Meyer 14.77 NL	Mr. Antoine JEANCOURT-GAUGNANI, 44 years old and a former inspector of Finance, was deputy chief executive officer of the Coinee Notionals de Criedit Agricale for a period of six years. He joined Banque de l'Indochine et de Suez as adviser to the Chairman in 1979 and became subsequently deputy chief executive officer from April 1980.
	All 124 (123) (127) Design (127) 123 (127) (127) Design (127) Design (127) Design (127) <thdesign (127)<="" th=""> <thdes< th=""><th>A.M. NL. Loomits Softwar. Operation and the second second</th><th>Canit S 127 13.4 Second 24.2 NL Second 21.27 14 Second 21.27 14 Second</th><th>reach Law (Societé Anonyme) many 46.289,450 methemaille, 59100 ROUBAIX (France) DUBAIX B 475682522 </th></thdes<></thdesign>	A.M. NL. Loomits Softwar. Operation and the second	Canit S 127 13.4 Second 24.2 NL Second 21.27 14 Second	reach Law (Societé Anonyme) many 46.289,450 methemaille, 59100 ROUBAIX (France) DUBAIX B 475682522

Pursuant to a Standby Agreement, Smith Barney, Harris Upham & Co. Incorporated and Drexel Burnham Lambert Incorporated (the "Standhy Group") have agreed with Oak and International, in exchaoge for Oak Common Stock, to advance funds in an amount equal to the redemption price plus accrued interest for any Debentures which are either (i) surrendered for redemption or (ii) not duly surrendered for redemption or conversion at the close of business on the Redemption Date. A Debentureholder who wishes to redeem or convert Debentures should not tender Debentures directly to the Standby Group hut should follow the directions given above.

From January 2, 1981 through June 22, 1981, the reported sale prices nf Oak Common Stock in New York Stock Exchange Composite transactions ranged from a high of \$381/2 per share tn a low of \$211/8 per share, as adjusted for the 2-for-1 stock split. The last reported sale price of Oak Common Stock in New York Stock Exchange Composite transactions on Jone 22, 1981, was \$33 per share. At soch last sale price per share, the holder of \$1,000 principal amount of Debentures would receive, upon conversion, 43 shares of Oak Common Stock and cash for the fractional interest having an aggregate value of \$1,434.84. However, such value is subject to change depending on changes in the market value of Oak Commoo Stock. So Inng as the market price of Oak Common Stock is \$26.00 or mnre per share, Debenturehnlders upon conversion will receive Oak Common Stnck and cash in lieu of any fractional share having a greater market value than the cash which they would receive npon redemptinn.

ADDITIONAL PAYING AND CONVERSION AGENTS

Contioental Bank S.A. Continental Illinois National Rue de la Loi 227 Bank and Trust Company 1040 Brussels, Belgium Telephone: (02)-735-80-20 of Chicago Frankfurt/Main Branch Attention: Luc Schöller Bockenheimer Landstrasse 24 Vice President 6000 Frankfurt (Main) Telephone: (0611)-72-02-11 Continental Illinois National Attention: Jorg P. Schafer Vice President Bank and Trust Company of Chicago London Branch Kredietbank S.A. **Continental Bank House** Luxembourgeoise 162 Queen Victoria Street 43 Boulevard Roval Luxembourg. LUXEMBOURG Telephone: 4797-1 London, EC4V 4BS Telephone: (01)-236-7444 Attention: R. Smeets Attention: James Silvester Continental Illinois National Bank and Trust Company of Chicago Paris Branch 10 Avenue Montaigne 7508 Paris Telephone: 225-64-30 Attention: Charles B. Truett Vice President

For OakIndustries International N.V. Frank A. Astrologes Managing Director

For Oak Industries Inc. Everitt A. Carter Chairman of the Board

This Notice of Redemption is not and under no circumstances is to be construed as an offer to sell or as a solicitation of an offer to buy any of the securities of Oak or International. For additional information regarding this Notice of Redemption contact any Paying and Conversion Agent or the undersigned.

Smith Barney, Harris Upham & Co. Incorporated London (01)-588-6040

Drexel Burnham Lambert Incorporated London (01)-628-3200

Fondé de Pouvoir

July 2, 1981

INTERNATIONAL HERALD TRIBUNE, MONDAY, JULY 6, 1981

Curr. Conv. Yids Prem. Sh%

International Bond Prices – Week of July 2 71/2 % 1973 Aus 357,14 15 7/6 7.99 4.10 Provided by White Weld Securities, London; a Division of Financiere Credit Suisse-First Boston 57.JI 5 68 3/4 5 48 1/2 32.36 1.28 585 36 444 (1.4) 7.5<u>5</u> \$ 72 1/4 L9 .5 72.17 2.54 1,18- 5,19 \$ 32 1/4 Middle Conv. Conv.Pr Conv. Yids Price Period p/Sh Prem. Shite Conv. Yida Prem. Shi Conv.Pr Conv. Yida 37- 44 536-223 5252 s 162/3 546-449 .95 44 3183/7 ed from Page 13) 7.04 م 6,36 7,81 8 36 7/2 0 47 1/2 1 Jen 72 51-265 \$ 67 1/2 71.36 5.61 27.52 4.**98** 45.00 1.57 14.27 4.7 motur 1 Augu 30.48 7,41 \$ 52 1/2 1.44 \$10 7,27 \$ 24 1/2 54510 1.39- 274 4.79- 1.68 S 1S 1/6 348-128 1.86 4.17 5 18 1/2 4.83 2.64 5.89 4.36 92 \$431/2 E 16 112,95 \$351/5 495.05 1.% Dec B E.IS 21.73 48 5 22 1/4 \$ 42 3/4 5.74 S.02 22.73 5.45 -451 23 5 61 1/2 S # 1/2 21.68 4.76 .52 540 61.62 5.45 12.84 141 5 84 215 242 S 80 Apr E 14,81 7.25 151 15 346 413 120 7.52 7.29 4.13 2.19- 3.80 **American Exchange Options** \$ 17 5/9 431- 151 50 7.42 4.4 525 151 \$ 53 1/ 24.76 84 1 Oct 7 5 66 2/7 073 14 For the Week Ending July 2, 1981 moturi 1 1 Jun 73 maturite 15 Jan 60 4.14- 7.61 5 30 4/7 2.26-1.14 484-\$ 35 1/4 445 212 5123/4 i Dec matur 1 Jei 7 matur 1 Apr matur 1 Apr matur 141488 000 \$79 2/7 5.93- 5.61 1415/7 **.5**5 \$ 52 5/9 \$171/2 5.32 6.47 3.10- 1.07 1.55 .40 \$ 52 1/ \$ 23 7/6 s 25 437-236 30.56 2.36 \$ 63 1/2 11.37 438 21.42 3.70 4,17 .93. 7.37 249-7.33 55.22 6.34 15.44 5.69 \$ 23.3/ 341- 984 5 16 1/ 38.54 1.23 3225/ \$ 41 3/4 43.50 8.87 metur 1 Sep 7 metur 18 Met 57. 237 \$ 22 1/ moturit 15 Sep 7 moturit 1 Aog 50 moturit 15 Aug 6 moturit 15 Dec 4 5.12- 4.30 568 1/2 S 25 454 257 \$ 25 3/4 6.23 4.30 1 May matur 1 Jan 7 347- 1.52 ----\$ 16 3/4 445 50 \$ 15 5/9 35- 2.13 562 442.79 290 227 221.28 \$ 72 1/ 3.32- 1.23 621-14 moturity 15 Apr 81 moturity 1 Apr 69 moturity 15 Dec 68 1.9 1.57 ,00, LL HIGHEST CURRENT YIELDS 3.45-12.50 7.78 On convertibles having a conversion 3.05-.33 23.0 1.23 premium of less than 10%. 331- 1.94 274 14 145 1.04 445-104 391.43 2.32 9.47 2 4.17 245 215 205 12.21 3.09 408-137 39 119 2010 5.24 7.36 11.10 1.23 19 7.54 2.42 533 2.06 2.27 14.50 1.05 6L15 423 .96 **Chicago Exchange Options** 10.45 4.48 .86 1.76 1.73- 4.59 4.43- ,90 5481/2 42.02 4.42 5 13 436-.96 5 33 1/2 6.96 (.23 20 1/4 804 5.4 7.17. 57 5 39 2/3 3218 244 4.06 541 2.01-5 47 1/4 5.67 2.12 5 29 3/8 54.00 4.6 15 Apr 8 3.57-.... 5 55 2/9 81.51 5.03 Oct 7 76 237 115 5/1 2.56-,90 42.77 5.82 4.70-97 33.00 5.00 **Explanation of Symbols** 104 1.00 640-1.2 15 Jun \$ 50 41.1.89 5.30 5.1 \$ 50 3.02- 2.05 27.06 7.13 \$427/8 401-1,73 5 38 114.36 37.22 373-123 \$65,000,000

European Economic Community

1444 Bonds due April 20, 1993

Mdrgan Guaranty Ltd

ALGEMENE BANK NEDERLAND N.V. BANK BRUSSEL LAMBERT N.V. **GOLDMAN SACHS INTERNATIONAL COBP.** KUWAIT INVESTMENT COMPANY (S.A.K.) **ORION BANK LIMITED** S. G. WARBURG & Co. Ltd.

BANK OF TOKYO INTERNATIONAL LIMITED BANQUE NATIONALE DE PARIS KLEINWORT, BENSON LIMITED NOMURA INTERNATIONAL LIMITED

ARNHOLD AND S. BLEICHROEDER, INC. A. E. Ames & Co. Limited ALAHLI BANK OF KIWAIT K.S.C. BANCA COMMERCIALE ITALIANA BANCA OEL GOTTAROO BANK OF HELSINKI LTO. BANK MEES & HOPE NV BANK LEU INTERNATIONAL LTD. BANK JULIUS BAER INTERNATIONAL LIMITED BANQUE ARARE ET INTERNATIONALE O'INVESTISSEMENT (B.A.I.I.) BANQUE OF L'INDOCHINE ET DE SUEZ BANQUE INTERNATIONALE À LUXEMEDURG S.A. BANQI'E DE NEUFLIZE, SCHUI MBERGER, MALLET BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK AKTIENGESELLSCHAFT BARING BROTHERS & CO., LIMITEO BEAR, STEARNS & CO. BERLINER BANK AKTIENGESELLSCHAFT BAYERISCHE LANOESBANK GIROZENTRALE **B.S.I. UNDERWRITERS LIMITED** BERLINER HANOELS- UNO FRANKFURTER BANK CIBC LIMITED CHRISTIANIA BANK OG KREDITKASSE CHEMICAL BANK INTERNATIONAL LIMITED CREOITO ITALIAND COUNTY BANK LIMITEO CREDITANSTALT-BANKVEREIN COPENHAGEN HANOELSBANK A/S DAIWA EUROPE LIMITEO DEN DANSKE BANK DAI-ICHI KANGYO INTERNATIONAL LIMITED DG BANK DEUTSCHE GENOSSENSCHAFTSBANK EFFECTENBANK-WARRING AKTIENCESELLSCHAFT EUROPEAN BANKING COMPANY LIMITEO FUJI INTERNATIONAL FINANCE LIMITED GEFINA INTERNAȚIONAL LTD. GENOSSENSCHAFTLICHE ZENTRALBANK AG GIRDZENTRALE I NO BANK DER ÖSTERREICHISCHEN SPARKASSEN R. HENRIQI ES JR. BANK-AKTIESELSKAR **GROUPEMENT OES BANQUIERS PRIVÉS GENEVOIS** KANSALLIS-OSAKE-PANKKI HILL SAMUEL & CO. LIMITED KIDOER, PEABODY INTERNATIONAL LIMITED KUHN LOER LEHMAN BROTHERS INTERNATIONAL, INC. KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K. LAZARD BROTHERS & CO., LIMITED LLOYDS BANK INTERNATIONAL LIMITED LTCB INTERNATIONAL LIMITED McLeoo Young Weir International Limiteo MITSURISHI BANK (EUROPE) S.A. MORGAN GRENFELL & CO. LIMITED SAMUEL MONTAGU & CD. LIMITED MITSUI FINANCE EUROPE LIMITED THE NIKKO SECURITIES CO., (EUROPE) LTO. NIPPON CREDIT INTERNATIONAL (HK) LTO. NIPPON EUROPEAN BANK S.A. NORDOEUTSCHE LANDESBANK GIROZENTRALE NORDIC BANK LIMITEO Österreichische Länderrank PIERSON, HELDRING & PIERSON N.V. PRIVATBANKEN A/S SANWA BANK (UNDERWRITERS) LIMITED J. HENRY SCHRDDER WAGG & CO. LIMITED SKANDINAVISKA ENSKILOA BANKEN SMITH BARNEY, HARRIS UPHAM & CO. INCORPORATED Société des Banques S.G. Warring et Leu S.A. Société Générale Société Générale de Banque S.A. Société Sequ'anaise de Banque SODITIC INTERNATIONAL, PANAMA SVENSKA HANDELSBANKEN VEREINS- UND WESTRANK AKTIENGESELLSCHAFT J. VUNTOBEL & CO. M. M. WARBURG-BRINCKMANN, WIRTZ & CD. WARBURG PARIBAS BECKER WARDLEY LIMITED WOOD GUNDY LIMITED YAMAICHI INTERNATIONAL (EUROPE) LIMITED

July 2, 1981

All of these securities have been sold. This announcement oppears as a matter of record only.

1407 Tex 94% 94% 143 B234 B244 5 22 1-16 5-13 5 7 6 4 0 D D 1-14 a a 2/2 3-16 a 2/2 1-14 FREN # 1444 Charles .

SS SERIES

2122

Conv. Yids Prem. Sh%

Conv.Pr

Aldele Conv.

Middle Corw. Price Period

772-

IS Apr 7

a/Sh

74.36 5.8

- ben av sa

ing We ur-ori ? In yan the: i to

tora-

mea-two

na-pro-pe-i in i a t he eign arty

v of tates

solu ceed job ons:

the

con-mu-"the ited oct-tary lay-acts

out sed at ind ife. ust

er,

re-

entris n-yn e II

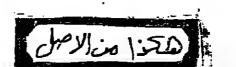
The second

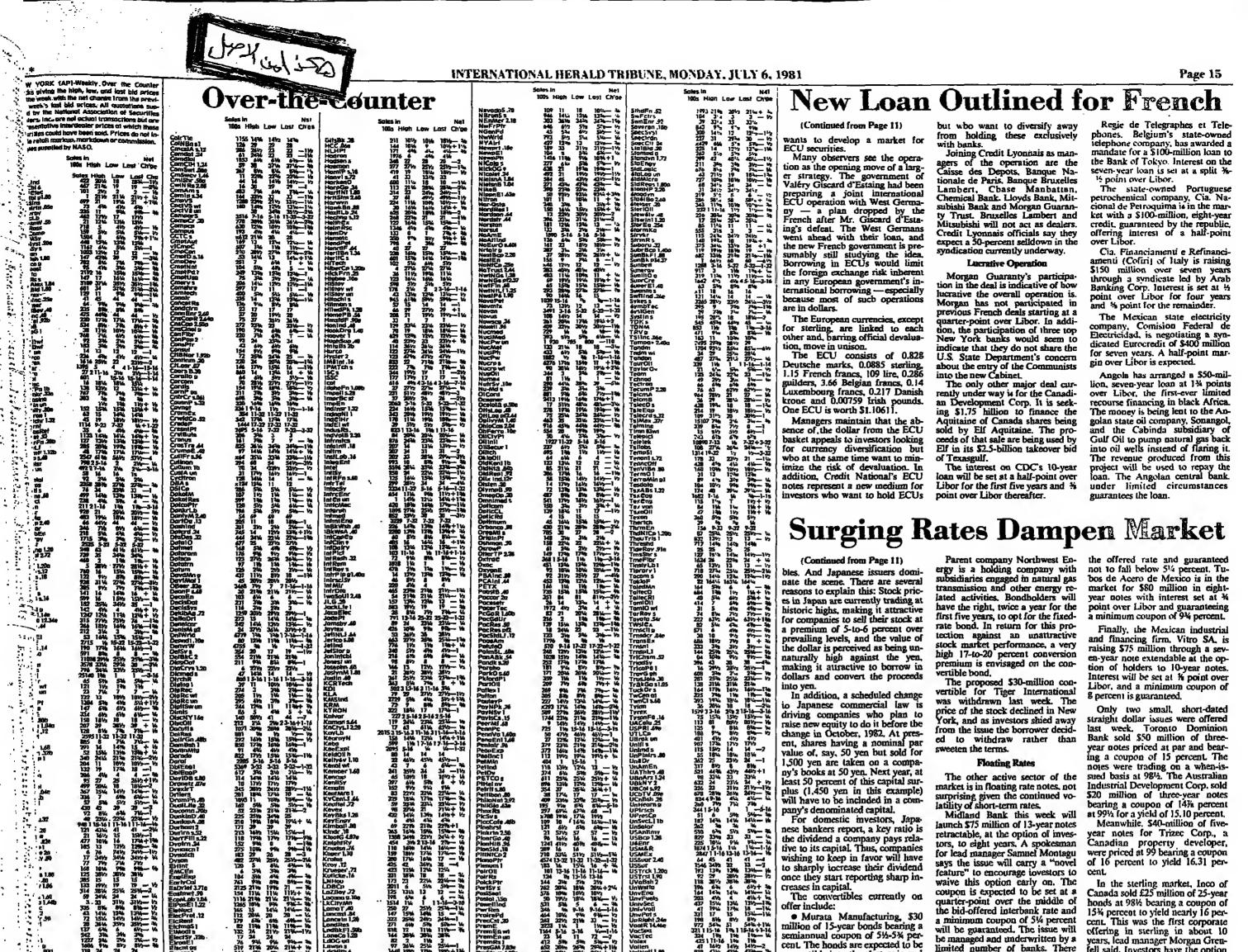
Na sister a

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

	·	· · · · · · · · · · · · · · · · · · ·				
POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Sourc
CHIEF FINANCIAL OFFICER	Arnund £25,898	ist'i trailing.	Lasie	Qual, accountant who has worked in develop countries, implicit knowl, of impact & expert trades, around 48; overseas travel.	All Mallinster (rgf. 8511), Thomson Wellinteck As., 78 Finsbury Payament, London EC2A 1531.	LET. 25-8-81
FINANCIAL SYSTEMS MANAGER	90,091 98,091	German subsidiary of Fortune 188 CL		Solid blagt. Balancial systems; hands-on exp. U.S./German accty, principles; versue in A.B. requirements.	Charles Webbn, P.W.S., Kaiserstr. 22, P.B. Onx 1168, B-E508 Mainz, Tol.: 43 6131 28776.	Lä.T. 25-6-61
FINANCIAL COMPTROLLER	Excellent	Paris traing co.	Paris	Recognized business or acctg. qual. &/or dog: solid exp. gained to similar position; Eng., Fr.	Rof. 5488. P. Lichan S.A., B.P. 220, 75863 Paris Codex 02.	LAT. 25-8-81
GROUP CONTROLLER		Forte 588 Matti-national corp. (tal. & Constanter products).	New Excland U.S.A.	Referant man with multi-nat, rotal caus, products way, bligh in sitter a manyl, or mitig, spring,	Auf. 8215, Confidential Auply Service, Assile Knight 111. London WTA 185.	Financia Times 25-6-81
PETROLEUM INDUSTRY PROFESSIONALS	1.1	OR & Gas exploration & production in the U.S.A.	Various E.S.A.	Relevant degree & min. 4 yrs. appropriate con.; 8.5. citizensche pref.	John Schlling, Salis Polyclam Ca., #94583, 198 Pint St., San Francisco, Eli 94111.	18.1. 21-8-81
REGIONAL MANAGER Arabic Speaking	Generales tax frae	Telecommulcations	Saudi Arabia	Prei, hus. dog.; second yr.s' wogt, cop. ideally in tolecom, in develop. clearty; mktg. blgd.	6.5. Yazini, rat. C.B. 1145-1, MSJ. Middle Exst., 52 Grassman Gardens, Louise Sifti Oliv, Tal.: 01-739 0255.	101 27-6-81
GENERAL MANAGER		Note, int'l trading erg.	Haw Jarsay, B.S.A.	Exp. in trading or distrib. Incs. of picensa. raw materials in Exr. or U.S.A., strong localorship abilities.	Karis-Roim, Herdizanistr, 22; 2000 Humburg 1, Tul.: B48/2883-1.	187. 21-8-81
TECHNICAL SALESMAN	Generalis	Long established marfinizational co.	Germany	Nil. Gar/Fog. or Gar/Fr.; strong tack. soles Migel.	Aux B 1783, International Burald Tribune, 82521 Houlity Coder, France.	LULT. 274-01
EXPORT SALES MANAGER Osteuropa		Builever Expert 8.V. Minderlande	Schöndam Rindertande	35, Expertitacionzon/izon, Erlaisung int'i Manin's- Verkeir (Ostonreps). Engl., Franz. + Uni./Instansisch.	Nern Des Tecsinane, beutscin Seilerer Gebit, Gameterwal 15. 2008 Hanburg 36, W. Beuschland.	Franklarta All. Zait 27-6-81
MANAGING DIRECTOR	Exceptional	Najer 0.5. feel processing corp.		Several yrs' megt, blagd, mandetney; therwegt understanding of kny functions with manuf, context.	Nex & 1788. International Burald Tribute, 12521 Healty Cedax, France.	18.T. 384-81
TECHNICAL SALESMAN	Exocilent	New Chuniczi. (Agricultural Chunicals Dept.).	tages, Mairthi ar R.W.Milan	Dog. in Agriculture; min. 5 yrs. Hail esg. with agricultural chamicals; Eng. + R.	Employee Relations Dept. New Chemical, P.B. Bex 196. 1211 Genera 20, Tol.: (022) 90 0551.	LILT. 38-8-81
NTERNATIONAL BANKER		Gov of largest int'l Morchant bank (Project Financing Bept.).	Paris	33-34; MBA day, or oppic; approx. 5 yrs. 100, in stain blait, graf, praject dayt.; anginaning day; kay, + fr.	Nef. 72828 H.T., Havas Contact, 156 M. Ausstanne, 75888 Paris.	LILT. Safat
AREA MANAGER N.Afr./Mid.Emst	c.F.S. 148,000	Kimi	inana, Rance	25-35; equ. in product magt. 8 in solding of consumer grades; Eng. + Fr.	JW.A. Tamintan, Bind Franco S.A., B.P. 70, 76382 Sattaville Jus Reson Colur.	LIET. 38-6-81
CORPORATE TREASURER	Commonstrate with very high expectations.	let'i Gerji.		35-45; mbi. day. In accounties or law. admin.; a mix of exp. 5; bushkey & ind.; breasone pesition or opply, for last 5 yes; Eng. + .	Region infl., 19 Jun is in Sta., 1207 Reason	Financia Timos 30-6-01
PRESIDENT & CHIEF OPER- ATING OFFICER	Attractive	Najar Canadan Natural Resource Naturational	Termin	St. magt. concribes with impressive track point within Report Resource; extensive largel, with 69 & Gas land.	E.N. Silger, Silcons Link. Solin 1200, 100 Administra St. Warst, Texania, Ontaria MEM 1533, Tel. (4167) 882 8570.	Wall Street Journal 38-6-81

3





ms

HI-

DSITIO!	14.4 26.0 27.0 28 14. Emospic Case 13.0 11.1 12.1 12.6 12.5	144. 13-16 240-3-16 Lance 147. 146 1240-17 Lance 147. 147. 146 Lance Lance 147. 147. 146 Lance Lance 147. 147. 146 Lance Lance 147. 147. 147 Lance Lance 147. 147. 146 Lance Lance<	202 577 178 124 124 124 127 177 128 127 127 127 127 127 127 127 127 127 127 127 127 127 127 127 127 127 <th>23% 25% 2</th> <th>Voinin s 203 3/h, 29 27 VinicCop 146 7/c 7/4 VinicCop 3/5 14%, 14/s 1/4 WDag Co2 72 3/4 3/4 3/4 WDag Co2 72 3/4 3/4 3/4 WordSort 20 1/4 3/4 3/4 WordSort 20 1/4 3/4 3/4 WordSort 1/4 205 12/h 12/h WordSort 1/4 205 12/h 12/h WordSort 1/4 205 12/h 12/h WordSort 1/4 1/4 1/h 1/h WordSort 1/4 1/h 1/h 1/h WordSort 1/h 1/h 1/h 1/h WordSort 1/</th> <th>image: state as it issues the equivalence image: state million new shares or image: state market. image: state Finally, Seryu Stot image: state tends to issue £15 million</th> <th>a price fixed at currently pre- \$30 million of ng a semianuu- ext These will the construc- res at a premi- cut. aisba, a gener- is offering \$30 onds bearing a of 6½ percent. tum of 5 per- k & Chemicals ch a \$40-mil- vertible. The to be around 6 twa Sccurrities is to issue \$50 ble Eurobonds the same time ivalent of \$220 n the domestic res says it in- illion of cover- States, North- finance is rais- of bearing and bearing inves- - a 15-year rrying a semi- percent or a d bearing an to bearing an to bearing a semi- percent or a to bearing an to bearing an the domestic the same time four years w the seventh the mean of the sigurantee 5½ percent. Socièté (offering \$7 notes with fu fourth year the seventh four years w 37 basis poi for six-mode for six-mode the mean of the mean of the mean of the seventh the seventh the seventh the mean of four years w the mean of for six-mode four years w the mean of for six-mode for six-mode for six-mode for six-mode</th> <th>te, National Westmin- as able to increase its e of floating-rate notes lion from the original n. Its coupon will be guarter-point over the bid-offered rates and ad to not be set below benérale of France is 5 million of 10-year f a point over the of- ad guaranteed never to y 5% percent. Investors at a price of 99, after the notes after the at a price of 99, after year at a price of 99, after the end of the final derwriting banks earn- i percent commission the sen to a return of nts over Libor, Societe ys. Term Credit Bank of raising \$30 million right-year floater bear- of a quarter-point over</th> <th>he Mortgage Bank and Finan- Administration Agency of unark sold 100 million guilders 0-year bonds bearing a coupon 2 percent at 99% to yield 12.15 cent. ierson, Heldring & Pierson is offering 60 million guilders of ityear paper bearing a coupon 1% percent. Isam, the Jutland-Funen Elec- ty Consortium in Denmark, is ing 20 million Units of Ac- nt of seven-year bonds bearing upon of 11% percent. Eurobond Yields* Week Ended July 1, 1981 (US Datters) ustrials, medium term 14.58 % tadian dollars, medi- n term</th>	23% 25% 2	Voinin s 203 3/h, 29 27 VinicCop 146 7/c 7/4 VinicCop 3/5 14%, 14/s 1/4 WDag Co2 72 3/4 3/4 3/4 WDag Co2 72 3/4 3/4 3/4 WordSort 20 1/4 3/4 3/4 WordSort 20 1/4 3/4 3/4 WordSort 1/4 205 12/h 12/h WordSort 1/4 205 12/h 12/h WordSort 1/4 205 12/h 12/h WordSort 1/4 1/4 1/h 1/h WordSort 1/4 1/h 1/h 1/h WordSort 1/h 1/h 1/h 1/h WordSort 1/	image: state as it issues the equivalence image: state million new shares or image: state market. image: state Finally, Seryu Stot image: state tends to issue £15 million	a price fixed at currently pre- \$30 million of ng a semianuu- ext These will the construc- res at a premi- cut. aisba, a gener- is offering \$30 onds bearing a of 6½ percent. tum of 5 per- k & Chemicals ch a \$40-mil- vertible. The to be around 6 twa Sccurrities is to issue \$50 ble Eurobonds the same time ivalent of \$220 n the domestic res says it in- illion of cover- States, North- finance is rais- of bearing and bearing inves- - a 15-year rrying a semi- percent or a d bearing an to bearing an to bearing a semi- percent or a to bearing an to bearing an the domestic the same time four years w the seventh the mean of the sigurantee 5½ percent. Socièté (offering \$7 notes with fu fourth year the seventh four years w 37 basis poi for six-mode for six-mode the mean of the mean of the mean of the seventh the seventh the seventh the mean of four years w the mean of for six-mode four years w the mean of for six-mode for six-mode for six-mode for six-mode	te, National Westmin- as able to increase its e of floating-rate notes lion from the original n. Its coupon will be guarter-point over the bid-offered rates and ad to not be set below benérale of France is 5 million of 10-year f a point over the of- ad guaranteed never to y 5% percent. Investors at a price of 99, after the notes after the at a price of 99, after year at a price of 99, after the end of the final derwriting banks earn- i percent commission the sen to a return of nts over Libor, Societe ys. Term Credit Bank of raising \$30 million right-year floater bear- of a quarter-point over	he Mortgage Bank and Finan- Administration Agency of unark sold 100 million guilders 0-year bonds bearing a coupon 2 percent at 99% to yield 12.15 cent. ierson, Heldring & Pierson is offering 60 million guilders of ityear paper bearing a coupon 1% percent. Isam, the Jutland-Funen Elec- ty Consortium in Denmark, is ing 20 million Units of Ac- nt of seven-year bonds bearing upon of 11% percent. Eurobond Yields* Week Ended July 1, 1981 (US Datters) ustrials, medium term 14.58 % tadian dollars, medi- n term
		Dir 2714 2704	1756 3494 23 1314-144 Reprint an 138 217 1376 1324 134-1 217 211-15 376 374 374-16 202 211-15 376 374 374-16 202 214 15 376 374 374-16 202 214 154 114 114 202 644 554 1542 1542-142 SCIBY 1152 746 1542 1542-142 SCIBY	10144 201 1 </td <td>ESCORTS & GUIDES</td> <td>CLASSIFI</td> <td>ED ADVERT</td> <td>ISEMENTS</td> <td>ESCORTS & GUIDES</td>	ESCORTS & GUIDES	CLASSIFI	ED ADVERT	ISEMENTS	ESCORTS & GUIDES
		AND Table T	159 11 1994 1094 - Wi SFETch 1 846 114 114 13-16 SPAA 101 1214 132 134 132 14	249 2395 2096 21 -295 211 1746 1699 1694-1 245 16 3 4 34 1106 27 27 27 27 88 23 1946 1996-216 1856 23 1546 155-99	CONTACTA INTERNATIONAL Exort Service in Europe GERMANY: 06103-86122 Fronkturt - Wisuboden - Mainz - Cologne - Born - Dueseldorf - Barlin - Manich - Hemborg. SWITZERLAND: 0049-6103-86122 Zudith Rend. 1049-6103-86122	(Cont	inued from Bac	k Page)	GENEVA - JADE Escort Service - Tel: 022/31 95 09.
	Yes Yes Yes Yes 1007 7.14 7.16 7.16 1007 7.14 7.16 7.16 1007 7.14 7.14 FloogBit RE248 1007 144 214 FloogBit RE248 101 154 7.14 FloogBit RE248 101 154 7.14 String Participant 101 154 7.14 String Participant 103 124 124 FloogBit Re248 103 124 225 11-16 FloogBit Re248 103 124 225 11-16 FloogBit Re248 103 1144 124 FloogBit Re248 FloogBit Re248 103 1144 124 FloogBit Re248 FloogBit Re248 104 174 1174 FloogBit Re248 FloogBit Re248	20 5 474, 444 Ve Middw218.40 10 574, 14 16 10 177 1970 1874, 1876 44 143 1244 174 1474 1474 Middw218.40 143 1244 174 1474 1474 Middw218.40 143 1141 1974 1276 1474 1474 A 141 1141 1974 1276 1474 1474 A 141 1141 1974 1474 1474 A 141 1141 1974 1474 1474 A 141 1141 1974 1474 1474 A 141 1141 1474 1474 1474 A 141 1474 1474 1474 1474 1474 1474 1474	147 147 1277 179 1275-116 1775- 407 344 2275 1275-116 1775- 207 344 1254 1254-146 186702 1 207 76 76 76 116-116 186702 1 407 346 116 116-116 186702 1 407 116 11-16 116 116 116 107 116 116 116 116 107 116 116 116 107 116 116 116 107	4 1015 100 -35 717 22 3114 3114 - 15 21 1114 1814 1015 16 716 3014 274 284+114	Triance - period - reductio - period -	ESCORTS & GUIDES	ESCORTS & GUIDES	ESCORTS & GUIDES	E.E.C. CAPITALS Boort Service GERMANY (0) 78515719.
105	131 284 28 284 + 44 Floot 1 8 4483 25-32 11-16 25-32 + 1-32 Floot 26-36 1 Floot 26-32 11-16 25-32 + 1-32 Floot 1 Floot 124	61 2712 2533 2534 114 fallster 46 37 1116 1934 1934 4 Aulier K 1,300 281 2714 2036 2046 134 Aulier K 1,300 31 1264 1444 144 4	468 3894 27 2711/2 Stjucte 6 28 20 20 StPoul 232 1377 3114 3096 3996 16 StPoul 232 4 31/2 31 51/2+ 1/2 Scentra	717 22 7114 7114 1114 1114 1114 1114 111	Laustrus - Genue. BELGEUM: 0049-6103-86122 Brussels + mojor diss. HOLLAND: 0949-6103-86122	ESCORT SERVICE	LONDON	LONDON	LONDON SUKI
		iii (44) 14/4 14/4 1/2 Marks 20 57 35% 34/4 1/3 Marks 20 127 16 15% 15% Marks 20 145 35% 35% 35% Marks 20 145 35% 35% 37% Marks 20 146 15% 15% 1/4 Marks 20 179 15% 14% 1/4 Marks 20 179 15% 1/4 1/4 Marks 20 179 15% 1/4 1/4 Marks 20 170 15% 1/4 1/4 Marks 20 170 11% 11% Marks 20 Marks 20 172 11% 11% 11% Marks 20	1844 1015 70 1014+ 16 Souther 1.40a 57 7% 7% 7% 16 % Souther 1.40a 5301 % % % % Souther 1.40a 53 2% 2% 2%- % Souther 407 15% 13% 23%-2% Souther 103 7% 6% 9 107 7% 4% 7 % Souther 107 7% 4% 7 % Souther 500 % Souther 107 7% 4% 7.40 % Souther 500 % Southe		Annuterdan Hague Boltardan. ENGLAND: 01-628 7969 LONDON. 01-628 7969 COMER EEC CARTALS Tel: Gennary 0-6103-86122		Portman Escort Agency 67 Culturn Street, Landon WJ TE: 486 3724 or 486 1158	Tel: 221 1158 or 221 8818.	Escort Service, Tel: 01 221 0598. ROME ELIROPE Excort & Guide Ser- vice, Tel: 06/5992604 - 589 1146 10 am. 10 pm. ZARA ESCORT SERVICE Landon,
		iii ida: ida: ida: ida: ida: ida: ida: i	1844 1015 70 1094+ 16 Sartineter 57 776 7% 7% 4 56 Sartinet 1.40a 500 16 17 7% 5 % 5 500 16 176 7% 5 500 16 176 176 16 5 500 16 176 178 178 178 5 500 10 16 178 178 178 5 500 10 16 178 178 178 178 178 178 178 178 178 178	123 Janua 197 175 1149 1149 144 223 Janua 197 1149 1149 1149 144 223 Janua 197 1149 1149 1149 1149 144 124 1256 1256 1257 145 145 126 1266 1976 145 1476 145 126 1266 1976 145 145 1476 145 126 1266 1976 145 145 145 145 127 12 12 12 3414 7-14 135-22 7-16 146 197 145 135-25 7-16 147 1197 1197 1157 1157	Academic for Higes Boltardon. I GANE: I O N DO N. OTHER BEC CAPITALS Tel: Genthany 0-6103-86122 • ESCORTS, N.Y.				ROME ELEOPE Excert & Guide Ser- vice. Tel: 66/5892604 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE London, Hastirow, Ganwek anas. 24 hours.
		61 27/9 29/9 29/9 10% 10% 221 11% 19% 16% 16% 40% 221 221% 20% 20% 40% 40% 231 221% 20% 20% 40% 40% 40% 271 26% 20% 20% 40%	1844 1015 70 1098+ 16 SurdPed Labor 57 79: 74: 74: 6 SurdPed Labor 58 24: 27: 27:- 14 59 24: 27: 27:- 14 50 15:4 12:4 12:5:- 27:- 27: 50:00 0: 10:5: 27:- 74: 5: 4: 5: 5: 5: 5: 5: 5: 5: 5: 5: 5: 5: 5: 5:	137 June 27 - 37 - 38 - 37 - 38 - 37 - 38 - 37 - 38 - 38	Anteridan Hogus Rollardan. INGLAND: 01-628 7969 LONDON. OTHER BECAPITALS Tel: Gennany 0-6103-86122		67 Cliftern Street, London W7 TEL: 486 3724 or 486 1158	Tel: 221 1158 or 221 8818. OLDE LONDON Encort Service Tel: 01 881 1509. LONDON TOWN	ROME ELLIOPE Excert & Guide Ser- vice. Tel: (A6/5892604 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE London, Hooffrow, Gatwick arase. 24 hours. Tel: (D1) 570 8038. LONDON ADAMS ESCORT SERVICE Imals & female). 93 Regent St., W1. Credit cards. 437 (2003 until midnight. HEATHROW AND LONDON Escort Service and Gatwick, Tel: 0452 23146 12 am. 12 am.
		iii i i i i i i i i i i i i i i i i i	1844 1015 10 10 1014 16 Surd Fd 1.400 57 792 745 714 6 Surd Fd 1.400 50 10 12 174 714 16 Surd Fd 1.400 50 10 12 174 1274 1275 16 Surd Fd 1.400 50 10 12 1274 1274 1275 16 Surd Fd 1.400 50 10 12 1274 1274 1275 16 Surd Fd 1.400 50 10 1274 1274 1275 16 Surd Fd 1.400 50 10 1274 1274 1275 16 Surd Fd 1.400 50 10 10 10 10 10 10 10 10 10 10 10 10 10	123 June 27 10 27 - 21 10 27 - 21 10 27 - 21 10 27 27 - 21 10 27 27 27 27 27 27 27 27 27 27 27 27 27	Acataladian Higus Rollardian. BIGLANE: 01-628 7969 LO N DO N. OTHER CAPITALS Tel: Genthany 0-6103-86122 ESCORTS, N.Y. EVERYWHERE, U.S.A. ESCORT SERVICE, EVERYWHERE YOU GO, AMERICAI	AND PROMOTIONS NY-USA Travel anywhere with methingule eccors. Major Credit Cards Accarted. 215-765-7956 or 765-7551. 330 W. 56th S., NY-NY. 10079. International Eccorts needed CAPRICE ESCORT SERVICE	67 Chiltern Street, Landon WJ TE: 486 3724 or 486 1158 LONDON BELGRAVIA	Tel: 231 1138 or 231 8818. OLDE LONDON Encort Service Tel: 01 881 1559. LONDON TOWN Escort Agency Tel: 752 7132.	ROME ELIROPE Excert & Guide Ser- vice. Tel: (A6/5892604 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE Landon, Hachtrow, Gatwick arase. 24 hears. Tel: (D1) 570 8038. LONDON ADAMS ESCORT SERVICE. Imais & female). 93 Ragavi Si, W1. Credit cards. 437 (J703 until midright. HEATHROW AND LONDON Escort Service and Gatwick, Tel: 0452 23146 12 pm - 12 pm AMSTEIDAM APOLLO Escort Service. 76 Apoliotoco, Ansterdam (D) 20- 766176.
		iii i i i i i i i i i i i i i i i i i	1844 1015 10 1014 1017 1014 1017 1014 1017 1014 1017 1014 1017 1014 1017 1014 1017 1016 1017 1017 1014 1017 1014 1017 1	129 Jana 17 27 - 14 221 Jana 176 1176 1176 - 1176 - 146 221 Jana 128 1176 - 176 -	Academic Hogos Rollardon BIGLAND: I ON DO N. OTHER EEC CAPITALS Tel: Generatry 0-6103-86122 • ESCORTS, N.Y. EVERYWHERE, U.S.A. ESCORT SERVICE,	AND PROMOTIONS NY-USA Travel anywhere with methingule eccors. Major Credit Cards Accarded. 215-765-7896 or 765-7754. 330 W. 56th S., NY-NY. 10079. International Escorts needed CAPRICE ESCORT SERVICE IN NEW YORK	67 Children Street, Landon WJ TE: 486 3724 or 486 1158 LONDON BELGRAVIA Escort Service tel: 736 5877. • LONDON Classics Escort Service	Tel: 221 1158 or 221 8818. OLDE LONDON Encort Service Tel: 01 881 1509. LONDON TOWN	ROME ELECOFE Excert & Guide Ser- vice. Tel. (Ar Stry 2004 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE London, Hacthrow, Ganwick anas. 24 hours. Tel. (D1) 570 2038. LONDON ADAMS ESCORT SERVICE Inde & femdel, 93 Regant St., W1. Credit cach. 437 U/03 umil midmight. HEATHROW AND LONDON Escort Service and Gotwick, Tel. 0452 23146 12 am 12 pm AMSTEEDAM APOLLO Escort Service. 76 Apolioloca, Amsterdam (0) 20- 766176. VIENIMA - MARMONY Escort Service. Tel. 63 87 05 or 02244/2418. ATHENS ESCORT SERVICE. Tel. Athens 300 3025 Escorts wanted.
		iii icai icai icai icai icai icai icai	1844 1015 10 1014 1017 101 50 790 794 744 10 Sandbed Laboa 50 790 794 744 10 Sandbed Laboa 50 740 744 10 Sandbed Laboa Sandbed Laboa 447 1574 1274 2274-44 Sandbed Laboa Sandbed Laboa 1003 574 947 9 Schandbell Schandbell Schandbell 1013 114 115 114+ 145 554 Schandbell <	$\begin{array}{c} 129 & 1376 & 178 \\ 129 & 1376 & 178 \\ 129 & 1376 & 178 \\ 129 & 1376 & 178 \\ 128 & 1278 & 178 \\ 128 & 1278 & 178 \\ 128 & 1278 & 178 \\ 128 & 1278 & 178 \\ 128 & 1278 & 178 \\ 128 & 1278 & 178 \\ 128 & 1278 & 128 \\ 128 & 128 & 128 \\ 128 $	Anteriordian Higus Boltardan. BIGLANE: 01-628 7969 LO N DO N. OTHER EC CAPITALS Tel: Genthany 0-6103-86122 • ESCORTS, N.Y. EVERYWHERE, U.S.A. ESCORT SERVICE, EVERYWHERE YOU GO, AMERICAI • 212-359-6273	AND PROMOTIONS NY-USA Travel anywhere with methingule eccurs. Major Credit Cards Accursed. 215-765-7896 or 765-7754. 300 W. 56th St., NY-NY, 10019. International Escarts needed CAPRICE ESCORT SERVICE IN NEW YORK TEL: 212-737 3291.	67 Chiltern Street, Landon WJ TE: 4465 3724 or 486 1158 LONDON BELGRAVIA Escort Service tel: 736 5877. • LONDON Classics Escort Service TE: 794 2901	Tel: 231 1158 or 231 8818. OLDE LONDON Encort Service Tel: 01 881 1509. LONDON TOWN Escout Agency Tel: 7527132 AMSTERDAM EBDON ESCORT SERVICE Tel: 852259 - 834058 - 436720 AMSTERDAM	ROME ELLROPE Escort & Guide Ser- vice. Tel. 66/5972604 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE London, Hasthrow, Ganwek grads. 24 hours. Tel. (D1 570 8038. LONDON ADAMS ESCORT SERVICE. India & femdel. 73 Regant St., W7. Credit cards. 437 UZ03 until metinght. HEATHROW AND LONDON Escort Service and Gatwek, Tel. 0452 23146 12 cm - 12 pm AMSTERDAM APOLLO Escort Service. 76 Apolioloon, Amsterdom (D) 20- 766176. VENWA - MARMONY Escort Service. Tel. 63 89 05 or 02244/2418. ATHENS ESCORT SERVICE. Tel. Athens 360 3062 Escorts wonted. BRUSSELS: Monthe Escort Service. Mil. 428 01 42 after 2pm.
		iii idai idak idai idak idai idak idai idak iii idai idak idai idak idai idak idai idak idai idak iii idai idak idai idak idai idak idai idak idai idak iii idai idak idai idak idai idak idai idak idai idak iii idai idak idai idak idai idak idai idak idai idak iii idai idak iii idak idak idak idak iii idai idak iiii idak idak idak idak iii idai idak iiiii idak iiiii idak iiiiii idak iiiiiiiii idak iii idai idak iiiiiiiiii idak iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	1844 1015 10 1014 1017 101 184 1015 10 1014 16 Surdified Labor 180 184 244 275 714 16 Surdified Labor 180 187 274 274 16 Surdified Labor 180 244 274 274 274 274 18 180 274 274 9 Schann B Schann B Schann B 180 274 744 9 Schann B Schann B Schann B 281 114 16 114 16 Schann B Schann B 283 545 5 544 54 54 54 54 2105 545 54 54 54 54 54 54 2105 545 54 54 54 54 54 54 2105 545 54 54 54 54 54	125 1984 27 18 27 - 18 198 27 - 18 198 27 - 18 198 27 198	Andread Hingus Boltarden. BIGLANE: OTHER BEC CAPITALS Tel: Genneny 0-6103-86122 • ESCORTS, N.Y. EVERYWHERE, U.S.A. ESCORT SERVICE, EVERYWHERE YOU GO, AMERICAI • 212-359-6273 212-961 1945/461 2421 REGENCY - USA	AND PROMOTIONS NY-USA Travel anywhere with methingue ecors. Moder Oredit Cards Accorded. 213-765-7906 or 765-7754. 330 W. 564 S., NY-NY-10079. International Eccurts meeded CAPRICE ESCORT SERVICE IN NEW YORK TEL: 212-737 3291. CACHET U.S.A.	67 Chiltern Street, Landon WJ TE: 486 3724 or 486 1158 LONDON BELGRAVIA Escort Service tel: 736 5877. LONDON Classics Escort Service TE: 794 2901 AMSTERDAM	Tel: 231 1158 or 231 8818. OLDE LONDON Encort Service Tel: 01 881 1509. LONDON TOWN Eccort Agency Tel: 752 7132 AMSTERDAM ERBON ESCORT SERVICE Tel: 852257 - 834058 - 436730	ROME ELECOFE Excert & Guide Ser- vice. Tel. 66:5872604 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE Landon, Heathrow, Ganwet Granz. 24 hears. Tel. [01] 570 8038. LONDON ADAMS ESCORT SERVICE. Imde & femdel. 93 Regant St. W1. Credit cards. G37 0703 until midnight. HEATHROW AND LONDON Escort Service and Gatwick. Tel. 0452 23146 12 am 12 pm AMSTREDAM APOLLO Excert Service. 76 Apolloloon, Amsterdom (0) 20- 766176. VENNA - MARMONY Escort Service. Tel. 63 9 05 or 0224472418. ATHENS ESCORT SERVICE. Tel: Athens 360 3062 Escorts wanted. BRUSSELS: Martine Escort Service. Mil. 428 01 42 afte: 2pm. RAMRORURT - WESSLADEN - MARKZ SHIRLEY Escort Service 0611/282728. ZURICH - Tel. 0049-6103-82048.
		iii idai idai idai idai idai idai idai	1844 1015 10 1014 1017 101 184 1015 10 1014 16 Surdie Clabo 180 140 10 50 10 Surdie Clabo Surdie Clabo 180 1200 16 16 Surdie Clabo Surdie Clabo Surdie Clabo 180 244 274 16 Surdie Clabo Surdie Clabo Surdie Clabo 180 197 714 174 1	1253 1374 27 1263 1374 27 127 128 1278 1278 1278 1278 1278 1278 12	Andread Hingus Boltarden. BIGLANE: OTHER BEC CAPITALS Tel: Genneny 0-6103-86122 • ESCORTS, N.Y. EVERYWHERE, U.S.A. ESCORT SERVICE, EVERYWHERE YOU GO, AMERICAI • 212-359-6273 212-961 1945/461 2421 REGENCY - USA	AND PROMOTIONS NY-USA Travel anywhere with methingule eccurs. Major Credit Cards Accursed. 215-765-7896 or 765-7754. 300 W. 56th St., NY-NY, 10019. International Escarts needed CAPRICE ESCORT SERVICE IN NEW YORK TEL: 212-737 3291.	67 Chiltern Street, Landon WJ TE: 4465 3724 or 486 1158 LONDON BELGRAVIA Escort Service tel: 736 5877. • LONDON Classics Escort Service TE: 794 2901 AMSTERDAM HONESTY ESCORT SERVICE TE:: 223143.	Tel: 231 1158 or 231 8818. OLDE LONDON Escort Service Tel: 01 861 1309. LONDON TOWN Eccort Agency Tel: 752 7132. AMSTERDAM EBBON ESCORT SERVICE Tel: 852259 - 834058 - 436720 AMSTERDAM ESCORT GUIDE SERVICE Tel: 2477731.	ROME ELECOFE Excert & Guide Ser- vice. Tel. 66/597264 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE London, Heathrow, Galuck anas. 24 hours. Tel. (D1) 570 8038. LONDON ADAMS ESCORT SERVICE. India & femdel. 73 Regant St., W7. Credit cach. 457 UZO3 unit michinght. HEATHROW AND LONDON Escort Service and Gatwick, Tel. 0452 23146 12 am - 12 pm AMSTEIDAM APOLLO Escort Service. 76 Apolekon, Ansterdom (D) 20- 766176. VIENIMA - HARMONY Escort Service. Tel: 63 89 05 or 02244/2418. ATHENS ESCORT SERVICE Tel: Athens 360 3052 Escorts wanted. BRUSSELS: Monthe Escort Service. Mi. 428 01 42 after: 2pm. RAANGRURT - WESELADEN - MARIZ SHIRLEY Escort Service 0611/282728. CURSELS: Monthe Escort Service. Mi. 428 01 42 after: 2pm.
		iii idai idai idai idai idai idai idai idai idai idai idai idai idai idai	137 136 137 136 137 136 137 136 137 136 137 136 137 136 137 136 137 136 137 136 137 137 136 137 137 136 137 137 136 137 137 136 137 137 136 137 <th137< th=""> <th137< th=""> <th137< th=""></th137<></th137<></th137<>	123 Janua 27 124 Janua 127 125 Janua 127 126 Janua 127 127 Jan	Andrew Cons. Hisper. Boltarden. BIGLANE: 01-628 7969 LO N DO N. OTHER CAPITALS Tel: Genneny 0-6103-86122 • ESCORTS, N.Y. EVERYWHERE, U.S.A. ESCORT SERVICE, EVERYWHERE YOU GO, AMEDICAI • 212-359-6273 212-961 1945/461 2421 REGENCY - USA WORLDWIDE MARTIEINGUAL ESCORT SERVICE NEW YORK CITY Tel: 212-838-8027 & 212-753-1864.	AND PROMOTIONS NY-USA Travel anywhere with methingue ecorts. Major Credit Cards Accarted. 215-765-7806 or 765-754. 330 W. 56th S., NY-NY. 10075. International Escorts needed CAPRICE ESCORT SERVICE IN NEW YORK TEL: 212-737 3291. CACHET U.S.A. ESCORT SERVICE NEW YORK 212-242-0638 or 213-874-1310 MANU RC/RDA 305-625-1722 FT. RAUDEDALE, RA 305-962-5477 Other major cities available.	67 Chiltorn Street, Landon WJ TE: 4465 3724 or 486 1158 LONDON BELGRAVIA Escort Service tel: 736 5877. • LONDON Classics Escort Service TE: 794 2901 AMSTERDAM HONESTY ESCORT SERVICE TEI: 223143. ZURICH	Tel: 231 1158 or 231 8818. OLDE LONDON Encort Service Tel: 01 881 1509. LONDON TOWN Encort Agency Tel: 752 7132. AMSTERDAM EBDON ESCORT SERVICE Tel: 852259 - 834058 - 4365720 AMSTERDAM ESCORT GUIDE SERVICE Tel: 852259 - 834058 - 4365720 AMSTERDAM ESCORT GUIDE SERVICE Tel: 01-402 4000, 01-402 4008 OR 01-402 0282.	ROME ELROPE Excert & Guide Ser- vice. Tel. 66/5972604 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE London, Hasthrow, Ganweit anas. 24 hours. Tel. (D1) 570 2038. LONDON ADAMS ESCORT SERVICE. Innois & femdel, 93 Regant St., W1. Credit cach. 437 U/03 umil midmight. HEATHROW AND LONDON Escort Service and Gotwick, Tel. 0452 23146 12 am 12 pm AMSTERDAM APOLLO Excert Service. 76 Apollobox, Ansterdam (0) 20- 766176. VIENMA - MARMONY Excert Service. Tel. 63 89 05 or 02244/2418. Attens 303 302 Excert Service. Tel. Attens 303 302 Excerts wanted. BRUSSELS: Monthe Excert Service. Inh. 428 01 42 other 2pm. FRANKORURT - WESEADEN - MAINZ SHIRLY Escort Service (Germany. BRUSSELS - TEL: 0049-6103-82048. Omega Escort Service/Germany. FRANKORURT ESCORT AGENCT. Tel. 0011 - 691653. RANKERET - SIMONE AUSTRIAN Escort Service. Tel. 59-50-46. ZURICH-SIMONE ESCORT Service.
		$\begin{array}{cccccccccccccccccccccccccccccccccccc$	137 136 137 136 137 136 137 136 137 136 137 136 137 136 137 136 137 136 137 136 137 137 136 137 137 136 137 137 136 137 137 136 137 137 136 137 <th137< th=""> <th137< th=""> <th137< th=""></th137<></th137<></th137<>	$\begin{array}{c} 123 \ 1376 \ 127 $	Andrew Cons. Hisper. Boltarden. BIGLANE: 01-628 7969 LO N DO N. OTHER CAPITALS Tel: Genneny 0-6103-86122 • ESCORTS, N.Y. EVERYWHERE, U.S.A. ESCORT SERVICE, EVERYWHERE YOU GO, AMEDICAI • 212-359-6273 212-961 1945/461 2421 REGENCY - USA WORLDWIDE MARTIEINGUAL ESCORT SERVICE NEW YORK CITY Tel: 212-838-8027 & 212-753-1864.	AND PROMOTIONS NY-USA Travel anywhere with methingue ecorts. Major Credit Cards Accarted. 215-765-7806 or 765-754. 330 W. 56th S., NY-NY. 10075. International Escorts needed CAPRICE ESCORT SERVICE IN NEW YORK TEL: 212-737 3291. CACHET U.S.A. ESCORT SERVICE NEW YORK 212-242-0638 or 213-874-1310 MANU RC/RDA 305-625-1722 FT. RAUDEDALE, RA 305-962-5477 Other major cities available.	67 Chiltorn Street, Landon WJ TE: 4465 3724 or 486 1158 LONDON BELGRAVIA Escort Service tel: 736 5877. • LONDON Classics Escort Service TE: 794 2901 AMSTERDAM HONESTY ESCORT SERVICE TEI: 223143. ZURICH	Tel: 231 1158 or 231 8818. OLDE LONDON Escort Service Tel: 01 861 1309. LONDON TOWN Eccort Agency Tel: 752 7132. AMSTERDAM EBBON ESCORT SERVICE Tel: 852259 - 834058 - 436720 AMSTERDAM ESCORT GUIDE SERVICE Tel: 2477731.	ROME ELECOFE Excert & Guide Ser- vice. Tel. 66/597264 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE London, Heathrow, Galact anas. 24 hours. Tel. (D1) 570 8038. LONDON ADAMS ESCORT SERVICE. India & femdel. 73 Regant St., W7. Credit cach. 457 U203 unit michight. HEATHROW AND LONDON Escort Service and Gatwick, Tel. 0452 23146 12 am - 12 pm AMSTEIDAM APOLLO Escort Service. 76 Apolicion, Ansterdam (0) 20- 766176. VIENIMA - HARMONY Escort Service. Tel. 63 89 05 or 02244/2418. ATHENS ESCORT SERVICE Tel. Athens 360 3052 Escorts wanted. BRUSSELS: Manthe Escort Service. Mi. 428 01 42 after: 2pm. RAANGRURT - WESSLADEN - MARIZ SHIREY Escort Service 0611/280728. ZURICH - Tel: 0049-6103-82048. Omega Escort Service/Germany. BRUSSELS - TEI: 0049-6103-82048. Omega Escort Service/Germany. BLANIGHERT - SIMONE AUSTRIAN Escort Service. Tel: 59-50-46. ZURICH-SIMONE ESCORT Service. Tel: 242 B510.
	47 141 141+14 Full condition 61 1234 1244 14 Full condition 20 65 1234 1244 14 Full condition 20 60 1344 1344 1344 144 Full condition 20 60 1344 1344 1344 144 Full condition 20 Full conditi	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	1844 1015 10 1014 101 101 184 1015 10 1014 101 101 101 180 101 10 101	185 1954 18(4 1954 + 16 1955 1954 18(4 1954 + 16 1956 1954 18(5 1954 + 16 1956 1954 18(5 1954 + 16 1111 1115 1155 21 1111 1115 1155 1155 1155 1155 1155 1111 1115 1155 115	Andrew Cons. Hisper. Boltarden. BIGLANE: 01-628 7969 LO N DO N. OTHER CAPITALS Tel: Genneny 0-6103-86122 • ESCORTS, N.Y. EVERYWHERE, U.S.A. ESCORT SERVICE, EVERYWHERE YOU GO, AMEDICAI • 212-359-6273 212-961 1945/461 2421 REGENCY - USA WORLDWIDE MARTIEINGUAL ESCORT SERVICE NEW YORK CITY Tel: 212-838-8027 & 212-753-1864.	AND PROMOTIONS NY-USA Travel carwhere with mininguel ecorts. Molec Crudit Cards Accepted. 215-765-7806 or 765-7754. 330 W. 566 5. NY-NY. 10075. International Ecorts needed CAPRICE ESCORT SERVICE IN NEW YORK TEL: 212-737 3291. CACHET U.S.A. ESCORT SERVICE NEW YORK 213-205-20538 or 212-874-1310 MANU, RC/RDA 305-425-1722 FT. RAUDEDALE, RA 305-902-5477 Other major cities available. ANSTERDALIS.	67 Chiltorn Street, Landon WJ TE: 4465 3724 or 486 1158 LONDON BELGRAVIA Escort Service tel: 736 5877. • LONDON Classics Escort Service TE: 794 2901 AMSTERDAM HONESTY ESCORT SERVICE TEI: 223143. ZURICH	Tel: 231 1158 or 231 8818. OLDE LONDON Encort Service Tel: 01 881 1509. LONDON TOWN Encort Agency Tel: 752 7132. AMSTERDAM EBDON ESCORT SERVICE Tel: 852259 - 834058 - 4365720 AMSTERDAM ESCORT GUIDE SERVICE Tel: 852259 - 834058 - 4365720 AMSTERDAM ESCORT GUIDE SERVICE Tel: 01-402 4000, 01-402 4008 OR 01-402 0282.	ROME BLEOPE Excert & Guide Ser- vice. Tel. 66/597264 - 589 1146 10 am 10 pm. ZARA ESCORT SERVICE London, Hepthrow, Galact anaz. 24 hours. Tel. (D1) 570 8038. LONDON ADAMS ESCORT SERVICE. Inde & femdel. 73 Regart St., W7. Credit cach. 437 U203 unit midnight. HEATHROW AND LONDON Escort Service and Gatwick, Tel. 0452 23146 12 am - 12 pm AMSTREDAM APOLLO Escort Service. 76 Apoloton, Ansterdam (0) 20- 766176. VIENMA - HARMCNY Escort Service. Tel. 63 89 05 or 02244/2418. ATHENS ESCORT SERVICE Tel. Athens 360 3042 Escort Service. Tel. 63 89 05 or 02244/2418. ATHENS ESCORT SERVICE Tel. Athens 360 3042 Escort Service. Mil. 428 01 42 after: 2pm. REANIGURT - WESELADEN - MARZ SHRLFY Escort Service 0611/280728. ZURICH - Tel: 0049-6103-82048. Omega Escort Service/Germany. BRUSSELS. Monte ESCORT AGENCY. Tel. 0411 - 691653. PLANKFURT - SIMONE AUSTRIAN Escort Service/Germany. BRUSSELS - TEL: 0049-6103-82048. Omega Escort Service/Germany. BRUSSELS - TEL: 0049-6103-82048. Date: 54 50.0. LONDON CHANTELE Escort Service. Tel: 231 1158 er 231 8318. LONDON CHANTELE Escort Service. Tel: 233 1158 er 231 8318. LONDON CHANTELE ESCORT SERVICE. Multingud. Tel: London 730 1840.

Page 16	INTERNATIONAL HERALD TRIBUNE, MONDAY, JULY 6, 1981	BOOKS
CROSSWORDBy Eugene T. Maleska 1 2 3 4 5 6 7 6 9 10 11 12 13 14 15 16 16 16 16 16 16 17 16 18 18 18 19 10 11 12 13 20 21 22 24 24 24 24 24 24 21 25 26 27 28 23 20 31	P E A N U T S C C C C C C C C C C C C C	THE GLITTER DOME By Joseph Wambaugh. 299 pp. \$12.95. Perigord Press-Morrow, 6 Henderson Drive, West Caldwell, N.J. 07006. Reviewed by John Leonard
32 33 34 35 39 40 1 1 37 38 38 39 40 1	B. C. HAY REPORT CARD, MA. HE ETTIGATION AND A IN MATH? HE ETTIGATION A IN APPLE HE ETTIGATION A IN A APPLE A DAY FROM FRAMER BROWN'S REAL OF BO TIMES A YEAR.	THE Glitter Dome in Joseph Wam- baugh's new novel is a bar in Chinatown where the cops go to drink themselves insensible and pick up a groupie. It also seems to stand for the Hollywood Wambaugh despises. The conversation is no worse in the China- town bar than it will be later on at a fancy party up in the hills, where a readily recognizable female novekist will exclaim about the Catifornia light: Tt's the light! It's the light!' a voice interrupted, and a woman booped into their midst, and up on
ACROSS62 Passage between two islands27 Moves in a certain direction1 Minusislandscertain direction5 Regal display63 Viper colony Evans28 Mischlevous one14 Medley64 Songwriter Evans28 Mischlevous one15 Armament, for short65 Comes close to Borden and vigor25 Colton- Randolph play: 192316 Of muscular vigor66 Items used by Borden and snowfield29 Colton- Randolph play: 192317 Alpine form60 Thres-pipped side of a die30 Piece of reality lyricist18 Den form53 cortes over stat: Comb. formDOWN I Stories over stores22 "Roberta" lyricist20 New1 Stories over stores33 " a little lower the angels"34 Native of Ger.	B L O N D E D HONEY LET ME HAVE YOUR MONEY MONEY MONEY HAVE YOUR MONEY HAVE YOUR MONEY HAVE YOUR MONEY HAVE YOUR MONEY HAVE YOUR HAVE	hopped into their must, and needed the height. She was finy and needed the height. She had the huge mouth and sacphire eyes of a flesh-eating bird. It's the light! It's not like New York. The light here is fuctisia and filtered through the pastel gauze of anonymity. There's nothing like it anywhere. The French Impressionists would have perished in delight!" <u>Mad Skaters</u> . But before we get to that party, we will have been in many more interest- ing places. We will have been, for m- stances, in a parking lot behind a bowling alley, which becomes at night a roller rink. The mad ikaters, most of them equipped with radios and ear
child or churiItem25 Noosed ropes4 Canticles25 Noosed ropes5 Like the28 Gershwin and Levio5 Like the Alcazar28 Gershwin and Levio6 Where Muscat31 Levio6 Where Muscat32 Name at Cooperstownis35 — up (Loosen)6 Where Muscat36 Loud kiss"The Merchant of Venice"37 Four-state farming regionMerchant of Venice"37 Four-state of Memory"9 Apt rhyme for cache41 Gibe9 Apt rhyme for yme for of Memory"43 Just out12 Cupid's43 Just out12 Cupid's44 Emplifien mith12 Cupid's51 Chopin	BE GOOD NEWS, MEN, THEY'VE FOUND THAT SHINY' BOOTS MAKE T LE ENEMY TO SPOT YOU THAT SHINY' BOOTS MAKE THE ENEMY TO SPOT YOU THAT SHINY' BOOTS MAKE THE ENEMY TO SPOT YOU THAT SHINY' BOOTS MAKE THE ENEMY TO SPOT YOU THAT SHINY' THAT SHINY' BOOTS MAKE THE ENEMY TO SPOT YOU THAT SHINY' THE ENEMY TO SPOT YOU THAT SHINY' SPOT YOU THE ENEMY TO SPOT YOU THAT SHINY' SPOT YOU SPOT YOU SPOT YOU SPOT YOU THAT SHINY' SPOT YOU SPOT	phones, seem to have dropped out of some cinematic self-indulgence by Cocteau; they are aquatic creatures, mutations of the deep. We will have gone to the beach, where old people trying to sell gold will find themselves with their mouths taped shut and their throats about to be slit. We will sit in on the bust of an exhibitionist who leaves photographs of himself on the windshields of cars at a supermarket. We will stand by as Capt. Woofer goes bananas in the sta- tionhouse, shouting at his eldeify sec- retary. "Do you deny letting the cater- pillars conquer the kingdom?" We
45 Quire a lot 47 Walk-on part 48 Bungles, with "up" 53 Utah 59 Hibernates, with "up" 59 Hibernates, S9 Filted self- assurance 54 Whetstone 55 Memorable first name io 56 Brew clam at high 57 Holly 61 Fever attack WEATHER MIGH Low HIGH Low HIGH Low Specific Specific State Specific	ANDY CAPP	end up in a man's mind, a mind coa- sumed by a horror story every bit as macabre as the severed head in Wain- baugh's "The Choir Boys." "The Choir Boys." a lonsy movie; was a wonderful novel, and almost impossible to review in a family news paper. The language of cops who have seen too much of the origination of the world, and have done some corrupi- ing themselves, is necessarily scatolog. as if only in excess can they save their santy. Wambaugh's next book. "The
C F F C F C F C F C F C F C F C F	NUM READY? NUM NUM NOW NOW NOW NOW NOW NOW NOW NOW	The Glitter Dome." he returns to form. It is a form, I suggest that wouldn't get him laughed out of the room if Celine and Joseph Heller had also been invited to dinner and Dos- solution to Fuday's Puzzle Zjuic (ni) [1] 1 Sciale[2] Zjuic (ni) [1] 1 Sciale[2] Zjuic (ni) [1] 1 Sciale[2] The Elition of the solution of the solution of the solution to thing. The sit the message of t cl, perhaps too neatly wrapped mailed to the missing God. work is a snuff flick. Nothing terrifying that chance, and chance — an accidental university nothing. I mentioned Dostoevski, a probably shickered. Please don this first of the comic Dostoell

9 46 Foggy 24 79 Foggy 21 72 Foir 11 52 Foir 12 54 Foir 12 54 Foir 13 55 Foir 13 55 Foir 13 55 Foir 19 44 Claudy 21 70 Roin 11 52 Overcoal 9 48 Fair 25 77 Fair 24 73 Faar 21 70 Overcoal 17 43 Fair 8 44 Fair MONTREAL MOSCOW MUNICH MAIROBI NASSAU NEW DELHI NEW YORK NICE

د المشمر وماد المي والمدين ما ماد الما <u>المشاركة المواقع</u>

I mentioned Dostoevski, a CIAIR E probably snickered. Please don thinking of the comic Dostoellis there is more absurd action in

. - . .

Anicri

and the

BOSTON	2/			-	Showers	NEW DELM	27	84	24	73	Feggy
BRUSSELS	19	66	13	55	Foir	NEW YORK	25		21	70	Overo
BUCHAREST	20	68	15	57	Fair	NICE	24	73	17	43	Fair
BUDAPEST	21	70	13	55	Falr	OSLO	20	4		-	Fair
BUENOS AIRES	19	- 66	14	57	Cloudy					-	
CAIRO	34	12	23	73	Overcost	PARIS	22	72	13	55	Overo
CASABLANCA	25	77	14	61	Cloudy	PEKING	30	84	20	48	Fair
CHICAGO	29		16	64	Overcust	PRAGUE	14	44	•	-	Clouds
COPENHAGEN	20	48	10	50	Fair	RIO DE JANEIRO	17	63	15	57	Overo
COSTA DEL SOL	25	77	ĩ	63	Fair	ROME	24	75	17	43	Fold
DAMASCUS	35	15	17	-	Cloudy	SALISBURY	19	"		4	Overo
DUBLIN	19	64	13	55	Fair	SAG PAULO	19	44	15	57	Fair
BDINBURGH	19	4	Ĩ,	4	Cloudy	SEOUL	24	73	3	73	Rain
FLORENCE	29	Ξ.	15	57	Cloudy	SHANGHAI	29	84	24	75	Clouds
FRANKFURT	ŝí	30	12	54	Overcost	SINGAPORE	31		23	73	Overo
GANEVA	20	73	10	50	Fair	STOCKHOLM	18	4	13	55	Overo
HELSINKI	24	75	13	55	Roin	SYDNEY	17	43	19	50	Cloud
HONG KONG			23			TAIPEI	34	73	77		Fair
	25	-		73	Overcost	TEL AVIV	3		72	73	Clouch
HOUSTON	33	97	34	73	Showers	TOKYO	23	73	20	-	Fougy
ISTANBUL	26	77	18	-	Poir	TUNIS	31			43	Cloud
JERUSALEM	77	8	71	44	Feir				17	44	
LAS PALMAS	25	77	- 20	41	Folr	YEN CE	24	77	12		Clouds
LIMA	24	75	17	-	FOURV	VIEIINA	23	73	73	54	Feir
LISBON	77	81	- 14	57	Foir	WARSAW	17	-	•	4	Fatr
LONDON	17	"	12	55		WASHINGTON	31		77	72	Cloud
LOS ANGELES	- 24	1	22	72	Febr	ZURICH	2	43	•	-	Feir

ings from the previous 24 hours.

RADIO NEWSCASTS BBC WORLD SERVICE

Broadcosts at 0002, 0208, 0208, 0400, 8500, 0408, 8709, 0808, 0700, 1100, 1309, 1400, 1705, 1805, 2008, 2269, 2320 1All Yimes GATJ,

Western Europe: 448KNz and 450M Madkim Wave, 3,975, 4038, 7,128, 7,185, 7,255, 9,410, 9,758, 12,895 and 15,870 KHz in the 49, 41, 31, 25 and 79 meter bands.

liust Africa: 1413KHz and 212M Medium Wave, 25.60, 21.640, 17.865, 15.620, 12,995, 11.820, 7.586, 7.528 and 6.658 KHz in the 11, 13, 16, 19, 36, 25, 31.42 and 49 meter bands.

North and North West Africa: 25.439, 31,478. \5.070. 11,750. 9.418. 7.130 and 5,975 KHz in the 11, 13, 17, 25. 31, 42 and 50 meter bands.

Southern Africa ; 25,450, 21,440, 17,200, 15,400, 11,220, 9,410, 7,185 and 4,005 KHz in the 11, 12, 14, 19, 25, 31, 41 and 49 mater bands.

Middle Rost: 1323KHz and 227M Medium Wave. 25450, 21,710, 17,770, 15,310, 11,740, 9,410, 7,140, 6,126 and 3,940 KHz in the 11, 13, 14, 19, 25, 31, 42, 47 and 73 meter bands.

Southers, Asia: 1413/Chiz and 212/4 Madium Wave. 25,460, 31,656, 17,770, 15,310, 11,350, 7,400, 7,180 and 4,955 (Chiz In Ria 11, 13, 14, 19,23, 31, 41 and 48 meter bunds.

Rest and South East Asia: 25.400, 17.790, 15.710, 11.865, 9.570, 4.195 and 2.915 KHz in the 11, 14, 19, 25, 31, 48 and 76 Mater bands, Also far Sinasoura asia: 88.900 KHz VHF.

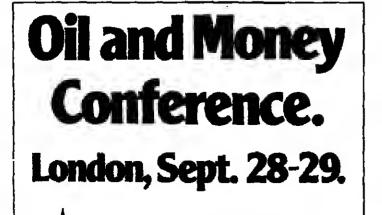
VOICE OF AMERICA

The Veice of America broadcasts world news in English on the hour and at 25 minutes after the hour during varying periods in different regions.

Westera Bontoe: KHz 15,245, 7,325, 4,840, 5,955, 3,962, 1,197, 792, 11,740, 9,760, 1,294 in the 197, 41,1, 49.5, \$0,4,75,7,251 (medium varve), 379 imedium varve), 25,5,30,7 and 222 (medium varvei meter bands, Middle gast: KHz 15285, 11,915, 9,760, 7,200, 4,040, 1,240 in the 197, 252, 307, 41,7, 47,7,234 meter bands. East Auto and Pacific: KH1 7,820, 17,740, 15,296, 11,760, 9,770, 26000, 4110 and 1.675 on the 14, 14,9, 19... 25.5, 30.7, 11.5, 49.2, 190 meter bands.

South Asia: KHz 21.540, 17,740, 15,205, 11,915, 9,740, 7,105 on the 13,9, 14,9, 19,7, 25,2, 30,7 and 42,2 mm bands.

Africe; KH: 24,840, 71,440, 17.870, 15.300, 11.915, 9.749 7.200, 6,125, 5.995, 1.990 on the 11.5, 15.8, 16.8, 19.4, 25.2 38.8, 41.2, 49, 59, 75.2 meter bands.



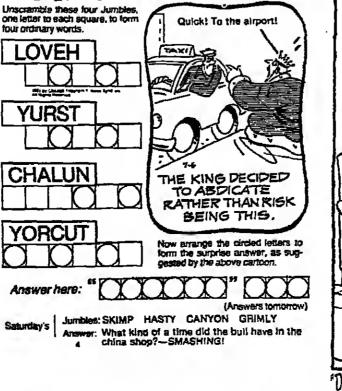
The second annual International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties," will take place September 28 and 29 in London. For further information, please contact the International Herald Tribune, Conference Dept., 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telephone: 747-12-65. Telex: 612832.







DENNIS THE MENACE



"Registered as a newspaper at the Post Office" "Printed in Great Britain"

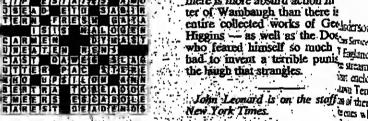




هكذامن التجل

Fetchin

HE MADE TWO DOLLARS BY SELLING



CHESS____

THE positional exchange sacrifice. is not a new idea. Seguert Tar-rasch, the great German theoretician, pointed out 60 years and list a strong outpost knight could easily outweigh a rook. And long before that, Paul Morphy, the American genits, used it

Morphy, the American gennes, used it in several 1857 games. This strategern always involver some risk, for if the opponent can wriggle out of the bind and manage to simplify, there are many positions where a rook can defeat a minor piece plus several pawns. But if you never try it, you are bound to miss some ex citing opportunities. Gari Kasparov, the 17-year-old So-

viet phenomenon, showed how it is done in his encounter with Alexander.

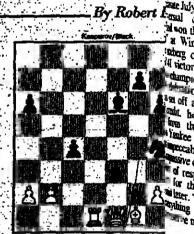
and / ... P.Q.C., incess white in hock out for a wing thrust with ... P-QN4; as well as a vigorous counter in the center with ... P-K4. It was the latter that Kasparov chose with 9 ... P-K4; 10 P-Q5; N-Q5, af-ter which 11 BxN?!, PAB; 12 QxP?, N=VI manufa have set White NxKP! would have cost White materisl.

Belyavsky's 13 N-Q5, presented Kasparov with a problem because the routine 13 . . NxN; 14 BPxN, N-K2; 15 N-B3 sows the seeds for a NZ, 15 N-b5 sows the seeds for a powerful White initiative on the open QB file. The young grandmaster's re-sponse was a sharp lashing out with 13 ... P-QN4!? that committed him to the exchange sacrifice with 14 B-N6, Q-Q2; 15 N-B7, R-N1; 16 NxR, OrN QXN.

The time-consuming 17 B-B7, R-N2; 18 BxP, PxP; 19 B-B5, B-K3, to deay Black a pawn for the exchange, did not inspire Belyavsky's confi-dence, since White's development lags.

cause 20 BxN?, PxB; 21 OxP?, N-Q4; 22 Q-Q2, RxP!; 23 Q-B1, BxNch, 24 K-B1, R-B71 would have crushed White. After 20 (40, P-Q4; 21 PxP. NxP; 22 NxN; BxN, Kaspanov's piec-es were all effective while the White rooks had trouble getting phy. An attempt to unbinge the Black center by 23 P-B4? would have blett punished by 23 NxBcH; 24 QxN, PxP. 25 RxP, RxP.

published by 25 Forder, 24 yars, Far-25 RxP, RxP. Belyavsky fid not want to remain in a passive, constricted position, but his france opening up of the game with 27 B-R6, B-R1; 25 P.B4, P.K5 endangared his OB and yielded Kasparov a passed KP. To provide a return for his wandering bishop, he gave up a pawn with 30 P-R5, NcP.



Figal :

Kasparov could smply have hake nece with 36 ... NxB, bitter at 36 QB7! was even strikin in However, after 37, R-Q1, he shy an have won with 37. then in (37. B-Q5 also wins); 38 B-alion 1 B3; 39 Q-N4, N-Nich picking tog him queen. It would seen that both with ers were in extreme tipe troubles

Nonetheless, after 3 QxB, P-K6, there wasno deter mell Belyavsky. On 39 P-K13, there mell have followed 39. BxP1; 44 with N-B4; 41 B-N2, P-K7; 52 R-K1 et P K6; 43 Q-B3, NxB; 44 Rx³ pering K8/Qch

After 39 ... P-R6!, suicide, PxP?, B-O4chi; 41 R.B. Qr. boy was possible.

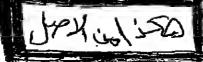
After Kasparov reachid the control with 40. N-151, Ba sky starcely had a move. Thus, N QB1 B-Q4 42 QrQ, PxQ; 43 B-K5 permis-no warding of a coming 44. N-K6. 15 Parch and 46 BrBmate in Will R-Q4 is finished by 44 P do 45 BrP, P-B8/Qmate. There was wo ing for Belyavsky to do bat give. 16

King's Indian Defe

10 2-05 11 N/3-80

21 721

12



INTERNATIONAL HERALD TRIBENE, MONDAY, JULY 6, 1981

IcEnroe Dethrones Borg in Wimbledon Final

ahead

5-Year Reign as Champion Comes to an End as Swede Is Humbled in 4 Sets

By Neil Amdur New York Times Service

ABLEDON, England -----McEnroe capped a tumnitu-vo weeks at Wimbledon by Bjorn Borg's 41-match iment winning streak with a et victory in the men's sin-

ile the tournament committhe All England Club recom-d a \$10,000 fine for his stormi-final match with Rod ry that could lead to a 21uspension, the 22-year-old roe showed that he could I his serve and temper when nted, even when close calls gainst him in stressful situa-

merican Sweep Averted

scores in the 3-hour, 22match were 4-6, 7-6, 7-6, 6-two lie-breakers, which oc dominated, 7-1, and 7-4, his deep, sharply-angled aw serve, were an indication closely matched the sport's o players remain. Of their ht matches, 12 of the 27 sets en settled in tie-breakers.

s is a triumph of McEnroe Borg," the second-seeded

New Yorker said when asked much as \$1,000 and a capacity whether he had conquered his tem-perament with Saturday's perform-ance. "Any time I can beat him it's had queued outside the grounds in perament with Saturday's perform-ance. "Any time I can beat him it's fine with me." Frew McMillan of South Africa

and Betty Stove of the Nether-lands saved the tournament from the first American sweep since 1939 by beating Jeff and Tracy Austin, 4-6, 7-6, 6-3, in the mixed doubles final. On Friday, Chris Evert Lloyd

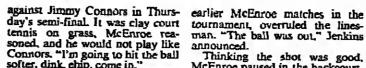
cided to stay on his feet.

sleeping bags, the interest was un-Tradition Fading

Even before the first ball was struck, spectators should the names of the players and chanted "Hooray" and "Boo" as if they were in a soccer stadium. But then won the women's singles final and McEnroe and Peter Fleming the men's doubles. On Saturday Pam these two weeks, with the record crowds, large fines against the players and enraged fans throwing Shriver and Martina Navratilova cushions on the Center Court to took the women's doubles, 6-3, 7-6, protest a doubles match curtailed from Kathy Jordan and Anne by darkness, have brought Wim-Smith, and Matt Anger and Zina Garrison won the junior titles. bledon further than ever from its traditional roots.

McEnroe was a jubilant, re-lieved winner when his final fore-McEnroe had sensed the occasion, even as he struggled with alhand volley landed deep in a cormost daily diversions ranging from ner on his second match point. He the status of his first serve and his girlfriend, to fines, confrontations started to drop to his knees and then, recalling Borg's traditional prayerful ritual on the turf after with British newsmen and erroneous reports that he had been stopped for speeding. "It's got to happen sooner or later," he said Friday, when asked whether the five previous singles victories, de-The final lacked the spontaneity and drama of last year's five-set classic, which Borg won, 8-6, in the fifth set. But with \$22 Center top-seeded Borg could ever he beaten here.

McEnroe had watched portions Court seats being scalped for as of Borg's long five-set comeback



soned, and he would not play like Connors. "I'm going to hit the ball softer, dink, chip, come in." On Friday, McEnroe tried to get the "feel" of his serve during the men's doubles final, which he and his partner, Peter Fleming, took in straight sets from Bob Lutz and Smith. Before Saturday's Stan match, McEnroe practiced shadow-serving and went over some notes he had written about his

serve and stored in his racket cover: keep the head up, throw the toss more to the left, try to stay

Borg Strikes First

Blitzed by Connors in the opening two sets, Borg struck first in the final, breaking McEnroe from deuce in the fifth game and then holding for the set from 15-40 and four hreak points. "He controlled the first set and

a half," McEnroe said later. If McEnroe had not served well,

Borg prohably would have received the congratulatory hard-ware from the Duke and Duchess of Kent and the \$43,000 first prize. Even with 10 double faults, MeEnroe's first serve emerged as the dominate weapon of the match, saving 13 of 15 hreak points and controlling the tempo, flow and dimension of rallies.

So much of McEnroe's same revolves around his first serve, par-ticularly against a rival like Borg, whose penetrating ground stroke can pick apart most serve-and-volley stylists.

"When you hit the first serve, you gain confidence, especially John," Borg said.

Reliable First Serve

The extent to which McEnroe's first serve dominated play was reflected in match statistics: McEnroe won 82 of 104 points on his first serve, a staggering 79 percent, while winning only 32 of the 63 points played on his second serve. His first-serve percentage for the match was 62 percent, respectable, while Borg was under 50 percent until the fifth game of the third set and finished at only 55 percent despite 10 aces.

more noticeable than in the second-set tie-breaker. McEnroe, who managed nine of 10 first serves in the two tie-hreakers, got in all four first serves and won all of these points. Borg, who says, "You can't play scared on your serve in a tie-breaker," faulted three of his four serves and went out quietly.

"Today's match was very close." Borg said. "It was important for me to win the third set. When I had four set points, on the important points, when he had to win them, he hit his first serve in."

Key Game

The key game of the match un-questionably was when McEnroe was serving at 4-5, 15-30 in the dered a 4-1 lead. Attacking behind his serve, McEnroe punched a forehand volley that the base linesman signaled good. Bob Jenkins, the umpire, who had officiated two

man. "The ball was out," Jenking announced.

Thinking the shot was good, McEnroe paused in the backcourt. Speciators waited, anxiously anticpating a possible tantrum or confrontation. McEnroe balanced the white ball on the strings of his racket, still seemingly uncertain what he wanted to do.

"The ball was clearly out," Borg said later. "Those things happen." McEnroe began thinking about what people had said — that a few calls don't change a match. But now, instead of 30-all, he faced 15-40. double-set point. A voice from the stands cried out, "Play on, John." McEnroe looked in the direction of the caller, hut said noth-

Finally, McEnroe served, attacked behind his first serve and won the point with an overhead. Thirty-forty. A service winner to the forehand. Deuce. McEnroe survived two more set points and finally held on the sixth deuce.

"Maybe it was good for him that he contralled himself," Borg said. Better at Tiebreakers

Borg led in the third-set tic-breaker only once, 3-2. But McEnroe serve-and-volleyed his next two serves, won both points on backhand volley placements for 4-3 and then swept Borg's two serves with a looping forehand crossoourt pass and a backhand pass that he glided down in the line.

MeEnroe bolds a distinct edge on Borg in their ue-breakers. "If his big serve is working in tie-breakers," said Borg, who had won his four previous playoff sets in the tournament, "it's a big advantage." McEnroe was determined not to let Borg reach a fifth set. Last year, he had "let him off the hook" in the second set: close the door and don't let him back in, McEnroe told himself, saving two break points from 15-40 in the third

game of the fourth set and skidding a service winner to the back-

hand at 15-30 in the fifth game. Borg struggled from 15-40 and held to 4-all. But the pressure of maintaining the streak, and harnessing his serve, appeared to take its toll at 4-5. From 30-15, Borg serve-and-volleyed only to stroke a backhand volley long. McEnroe attacked a second serve and reached his first match point when Borg netted a two-handed backhand. "If I held to 5-all, I felt I could hreak him," Borg said. The 25-year-old Swede shunned the baseline for serve-and-volley and saved his first match point with a deep backhand first volley that McEn roe, under attack, could not coun-

ter But Borg's serve, perhaps dulled from the tiring comeback with Connors, could not withstand the attack. McEnroe moved in on a second serve, pressured Borg's backhand and won the point with an overhead. Another second serve brought the American in for the clinching volley

Prost Captures French Grand Prix

United Press Internation DUON, France - Alain Prost of France won the French Formula-1 Grand Prix Sunday with the belp of a cloudburst that interrupted the race just when his turbocharged Renault had problems.

MacLeish Sent To NHL Whalers Nowhere was the difference In Package Deal

United Press International HARTFORD, Conn. - The Hartford Whalers have acquired high-scoring center Rick MacLeish, defenseman Blake Wesley and right wing Don Gillen from the Philadelphia Flyers. Hartford also will have the Flyers' second-round pick in the 1982 NHL coury draft.

In return, the Whalers sent the Flyers defenseman Fred Arthur and right wing Ray Allison. The two clubs also will exchange draft picks in the first and third rounds the 1982 entry draft, the Whalers said.

MacLeish, 31, who played on the Flyers' Stanley Cup champion-ship teams in 1974 and 1975, scored 38 goals and had 36 assists last season for Philadelphia, In 11

The 26-year-old Frenchman scored his first victory in 19 Grand Prix outings, 2.29 seconds ahead of John Watson of Britain in a This makes a lottery out of the MeLaren and 24.22 seconds ahead whole thing," snapped Watson, who was in third place before the of the Brabham of Nelson Piquet hreak and closing fast on Prost.

of Brazil Prost's total time for the 80 laps was 1 hour 35 minutes 48 seconds, giving him an average speed of 118.2 miles an hour (189.1 kilometers an hour). The total distance was 188.8 miles (302 kilometers). ter mark is restarted, weather permitting, in the same order as at the His Renault teammate and compatriot Rene Arnoux, who had the pole position at the start, placed fourth, 42.3 seconds behind.

the winner. Also in the world championship points were Didier Pironi of France in a Ferrari, who was fifth. and sixth-placed Elio de Angelis of Italy in a Lotus. Both men were a lap behind. points.

Rain Beneficial

Drizzle, which began on the 53d 10th spot, remained atop the of the scheduled 80 laps and which turned into a huge downpoor on the 59th lap when the danger flag stopped the race, beloed both Restandings with 37 points while his Wilhams teammate, world champi-on Alan Jones of Australia, only 17th at Dijon because of engine nault drivers.

When the skies opened, both Prost and Arnoux had problems with their transmissions and front stabilizers. At that point, Prost was

let's hope I can win the British Grand Prix at Silverstone in anothto interrupt the race just two laps before the three-quarter distance mark of 60 laps.

Piquet Moyes Up

er two weeks. Piquet said he thought when the race was interrupted that he was the winner. "The rules used to say

a race was over if two-thirds of the distance had been covered and I was totally confused," the Brazilian said.

Page 17

Under Formula-1 regulations, a race stopped before the three-quar-Jones said his trouble was caused in a collision with the Alfa-Romeo of Mario Andretti early in the race. "It bent a steering arm but I also had tire trouble," be

FRENCH GRAND PRIX). Alain Prasi, France, Renauli, 1:35:44,12, 2. John Wotson, Brittein, McLarac, 1:35:5042, 3. Nelson Plauet, Broyall, Brobham, 1:36:1235, 4. Rene Arnoux, France, Renauli 1:36:3043, 5. Oktior Pirani, France, Ferrori, 1 kob behind, 5. Oktior Pirani, France, Ferrori, 1 kob behind, Carlos Reutemann of Argentina, who finished out of the points in

> FORMULA ONE STANDINGS 1. Revtemany, 37 points, 2. Piquel, 26. 3. Alon Jones Australia, 24. L Gilles Vitemeuve, Comodo, 21. & Jocques Loffite, France, 17. 4 Prost 12 7. Riccardo Patrese, Holy, JQ. 7. Watson, 10. 9. De Angelis, S.

problems, dropped from second to third place in the standings. Happy With 2d

Prost agreed that nature gave

interruption. If only two more laps had been raced before the rain, therefore, Piquet would have been said. The Brazilian all the same picked up four points for his third place finish and moved into second position in the world drivers championship standings with 26

John McEnroe in his Wimbledon victory gesture.

6. Ello de Anottis, Horito, Frence, Frence, Top. 6. Ello de Anottis, Holy, Lottus, 1 Iop. 7. Niget Monaell, Britein, Lolus, 1 Iop. 8. Martio Andretti, U.S., Alle Romeo, I Iop. 9. Martio Reboque, Mexico, Brabahora, 2 10. Corlos Reulemann, Argentino, Will n74, 2 Nope

"Jy Dave Anderson New York Times Service LEDON, England - In they were streaming out enter Court enclosure at 'ngland Lawn Tennis and Club, most of them glum, iling. The ones who were vere usually Americans. a way," one of them said, "to celebrate July 4." controversial colonist, proc, had won the "gensingles" at Wimbledon ed the iceberg of Bjorn eak of 41 victories here previous championships July 4 celebration, John did not set off any firehis credit, he trans-inself from the Ugly into a Yankee Doodle almost impeccable manimost impassive control. a matter of respect for I respect for the occa-Enroe said later. "You've se it everything to beat ited to conserve my ener-

1

. .

. . . .

. . .

41.00

- 1

· · · -

1.12 × 1.14

.....

1211

_ + ^{. .} .

1.1

. .*

1.85

· · · ·

يتحر معروم و

×

·***

.

. . .

1.

.

× ,

. . .

نگوو بر و

.

14

17

12.15

A Better Reason

ve might also have wantperve his bankroll. In the und, he threw a tantrum um a \$1,500 fine. In a uch Tuesday against the rothers from India, he linesman from India of d; that cost him a \$750 his boorish behavior d Frawley in the semias indicted for a possi-- fine that might include ic 21-day suspension. n Saturday, with anoth-can named Princess Monaco peering down th a blue bonnet in the John McEnroe changed Peck's bad hoy purned awver.

is moments, of course. time and in another ight have exploded. But appeared to play as if on his emotions. Even uerings. To win Wimscrew he not only had to vg but he also had to mself. He won both 4-6, 7-6, 7-6, 6-4 over

"inroe's Thoughts

:Enroe's most serious ed in the 10th game of At 15-30 on his serve, ey that the linesman at called in Apparently as now 30-all. But sudjumpire, Bob Jenkins, ju linesman. His curly sprouting from a red McEnroe stared at the ³>-nonsense London ac-10 had quietly handled a it good," Bob Jencalled it out." is 15-40, now Borg had

two set points on McEnroe's serve. And after a deuce, Borg would have a third set point.

Bjorn Borg receives a consolatory smile and handshake from the Duchess of Kent.

Cennis' Yankee Doodle Dandy

"I was thinking," McEnroe said later, "how people say a few bad calls don't change the match."

Possibility of

McEnroe Faces

Ban for a Year

New York Times Service WIMBLEDON, England -John McEnroe faces as much as a one year suspension, and the loss of \$14,750, if a recommended \$10,000 fine levied against him Saturday by the Wimbledon tournament committee is upheld by the Men's International Professional Tennis Council.

The recommendation was made for McEnroe's "consistant querying of line decisions, bad language and verbal abuse of the referee, the unpire and the linesman," during a semifi-nal match Thursday against Rod Frawley of Australia.

McEnroe had been fined \$1,500 for his outburst on opening day and \$750 for improper behavior in a doubles match earlier in the week. The committee recommended another fine of \$2,500 for the doubles match, during which McEnroe accused a linesman of being bi-

ased. Under Grand Prix rules, any player who accumulates more than \$5,000 in minor fines is subject to a 21 day suspension. But Saturday's \$10,000 recommendation was cited as a "major offense" in the section un-"aggravated behavior" where the penalty could be as much as a one year suspension. McEnroe has the option of appealing Saturday's recom-mendations within 15 days. Since his father, John T. McEnroe Sr., is a New York attorney, the threat of a suspension and large fine could pose the first significant legal test of the council's code of conduct rules. McEnroe, meanwhile, did not attend the annual champi-

ons dinner at the Savoy Hotel Saturday night, and All Eng-land Cluh officials were upset by his absence. He gave no reason for staying away but his fa-ther said, "He was out celebrating somewhere else - don't ask vhere."

The women's champion, Chris Evert Lloyd, said she feared that she might have to make two speeches but added: "Unfortunately I can only make one because I haven't John's vocabulary. But I apologize, as an American, for the fact that he is not here."

That bad call, if it was a bad call, might have cost McEnroe the set and perhaps the match. But he served his way out of the crisis.

"On the important points when he had to win them," Borg said, "he hit his first serve in." .

Voice of the Fans

Holding his serve there, McEnroe went on to win the third set and the tiebreaker. He also had won the second set and a tiebreaker. And when he pounced on Borg's serve in the 10th game of the third set, be suddenly was the Wimbledon champion. He even had acted like a champion. His ef-

fort to be exemplary was apparent as early as the first game of the second set. In the first set he had moped around occasionally, but not histantly, after a few questionable calls. And now, as he was about to serve, a voice could be heard from the stands not far from him.

"Wby don't you call the referee, John." the voice blared.

During his scenarios in the opening round and in the semifi-nals, McEnroe had demanded an audience with Fred Hoyles, the Wimhledon referee. Now, as he was about to serve, he appeared to ignore the voice from the stands. But then he served a double fault for deuce. Looking up where the voice had come from, he yelled, "Thank you very much." That was all. Quietly, a murmur of sympathy for him seemed to circulate through the Center Court enclo-

But instead of surrendering to the momentary disruption, McEnroe quickly held his serve.

Not long after that, in the fourth game of the second set, MeEnroe had a break point at 30-40 on Borg's serve. The bearded Swede lashed a forehand that appeared to be out, but the linesman at the eline declared it to be in. McEnroe stared at the spot on the brown grass where he thought the ball had hit beyond the baseline, then slowly walked around in a cirele. But that was all. When he turned back to await Borg's next serve, he was about to hunch into his crouch when the applause be-

Applause for his restraint.

A Rare Moment

Quickly, appreciatively, McEnrole stood straight up, both hands raised high, his racquet in his left hand, acknowledging the applause. Some spectators laughed, enjoying the rare moment. Even be smiled.

When the match ended, of course, there was more applause for McEnroe, applause for his championship, applause for his be-havior, and applause for his talent as a tennis player.

For all his controversies, remember that McEnroe is one of the truby talented tennis players of any time.

2

Geweniger Scores Again

United Press International

BERLIN - Ute Geweniger, a. 17-year-old East German immer, set her second world record in three days Saturday when she clocked 2 minutes 11.73 seconds for the 200-meter medley at a meet in East Berlin, the East German news service reported. She bettered the mark of 2:13.09 set by compatriot Petra Schneider last year. On Thursday, Geweniger set record in the 100-meter breaststroke.

years in the NHL, MacLeish has scored 320 goals and registered 355 assists for 675 total points. He was was the Flyers' second

leading scorer last season with 74 points, 11 points behind team-leader Bill Barber. Wesley, a 6-foot-I, 220-pound

defenseman, who will be 22 on July 10, played in 50 games for the Flyers last season, scoring three goals and picking up seven assists. Gillen, 20, played in 79 games last season for Maine of the American Hockey League, scoring 30 goals and picking up 29 assists. He was drafted by the Flyers in 1979 as an

underage junior. Allison and Arthur were the Whalers' first-round draft choices in 1979 and 1980, respectively.

seven seconds back, while Arnoux was 39.1 seconds behind the Brazilian in fifth place.

The one-hour interruption gave the Renault mechanics plenty of time to fix the two cars and both were much faster than Piquet during the second heat of 22 laps.

There was a lot of controversy over the decision by race officials

Hinault Maintains Lead Reuters

LE MANS, France - Rene Martens of Belgium won Sunday's 10th stage of the Tour de France bicycle race, a 194-kilometer (121-mile) run from Nantes to Le Mans. Bernard Hinault of France retained the overall lead as Saturday was a rest day.

Grand Prix. "The interruption gave my mechanics time to change a damaged fourth gear." be con-ceded. "But it is still a big day for me and I do believe I had the fastest car."

It was the first time in the histo-ry of the Formula-I world championship that a race was restarted after such a long distance had been covered - 58 out of 80 laps - and the two heats added together to give an aggregate time.

Watson said be was happy enough with his second place. got by Prost in the second heat but then went wide and fell back behind him," be said. "After that I was able to hang on hut never challenged Prost again. After third place in Spain and second here,

put in his entry for the Diamond Sculls Challenge Cup at Henley in 1921, he was turned down because

the stewards did not accept for

competition in the Regatta men who worked with their hands.

Kelly's son, Jack Kelly Jr.,

Princess Grace, with her

Players Reject Latest Offer by

Baseball Owners

New York Times Service NEW YORK - Whatever slight optimism might have existed for a quick settlement in the baseball strike, it came crashing down Saturday. The owners revised their proposal on professional compensation for free agents, but the players rejected it, saying the owners still had not addressed the concerns of the players.

No further meetings were scheduled in the negotiations that have been held spordically since the strike began June 12. Kenneth E. Moffett, the federal mediator, said he had no plans to call another meeting "right away."

"There's a philosophical differ-The Hanlan Boat Club of Toence," Moffett said after the barronto gave the Canadians their secgaining session that was held offond cup victory as the Lightweight and-on over five hours. "There's four without coxswain defeated the pool arrangement versus direct compensation. Until there's a reso-England's Leander Boat Club to win the Wyfolk Challenge Cup. Chris Baillieu, England's 1980 lution of that issue, in my opinion, the strike will continue."

Olympic silver medalist in the dou-Asked to characterize the modible sculls, racing as a single in the Diamond Challenege Sculls, the fications the owners' bargaining team offered Saturday, the mediamost famous of all sculling races, had an easy Henley Regatta, meettor said, "They made some moves, but it was in the area of direct ing no significant oppositon compensation and that was somethroughout the competion, gaining his first Diamond's title. thing the players didn't want to address themselves to. They're Ingelheim and Ulmer Rowing talking about apples and oranges." Clubs of West Germany were vic-

The owners want a team losing a torious in the first rowing of the premium free agent to receive pro-Queen Mother Challenge Cup, fessional compensation from the team signing that free agent. The with the remaining six cup victo-ries going to British crews. Princess Grace is the daughter players, however, consider that plan inhibiting and punitive, and of John B. Kelly from Philadelhave proposed a pool of players, phia, one of the most renowned from which compensation could he drawn.

Australia's Wallabies

Beat French in Rugby

Reuters BRISBANE, Australia - Australia Sunday won a rughy union test match against touring France, 17-15. The second and final test will be played in Sydney Saturday. The Wallabies scored with three

tries, a conversion and a penalty. The French, playing without injured tour captain Jean-Pierre Rives, tallied a converted try, a drop and two penalties.

CFL Standings

120							
	19 1. 1		Ŧ	PA	. P	15	
Hamilton	0	٠	٠	88	00	۰	
Toronio		1	a	18	19	a	
Offered	A	1	0	21	9	٠	
Montreol	0	1	۰		46	٠	
We	stern						
Brit, Columbia	1	0	0	48	۰	2	
Edmonton	1	٥	٥	9	21	2	
Seskalchewan	i i	٠	Ō	19	18	2	
Minnizeo	ā	8	Ō	08	80	ō	
Colgary					80		
	r's Gemt		-			•	
Edmontion 47, Ottowo 7							
	- W's Gene	-					

British Columbia 45, Montreet 8

Historic Firsts and American Excellence at Henley

By Norman Hildes-Heim New York Times Service

HENLEY-ON-THAMES, Eng-land — This year's 1981 Henley Royal Regatta will be remembered for a number of historic firsts, and partial righting of n historic

History was made Sunday, when women were admitted for the first time to formal competition in exhibition races, and a new quadruple Sculls event was introduced into competition named the Queen Mother Challenge Cup. The con-tinued righting of a 1921 incident in the Regatta's history occurred when Princess Grace of Monaco was invited to present the prize to this year's winners.

American crews achieved victory here Sunday, winning three of the four cups in eight-oared com-petitions. Henley's premier event,

Rogers Leading Fiori

By 2 in Western Golf United Press Internation

OAK BROOK, III. - Bill Rog-ers overcame a three-hour rain delay and fired a 6-under-par 66 Saturday to take a two-shot lead over Ed Fiori after three rounds of the Western Open golf tournament. Rogers' round, which was one stroke off the Butler National

record of 65 set by David Graham and John Lister in 1975, gave him a 54-hole total of 8-under 208. Fiori fashioned a 69 to stand at

210.

Transactions

HOCKEY National Hockey Leapon

PHILADELPHIA-Traded Rick MacLaish, canter: Blate Wesley, defenseman; Dan Gillon, right wing; and their first, second and third-round 1981 draft choices to the Hartford Whalers for Ray Altison, right wing; Fred Artikur, de-lenseman, and first and third-round 1981 draft

STLOUIS-Traded Ed Stanlowerkl, gooile, Broan Maxwell, detensions and Poul Ma-clean, right wise, to the Winnipeg Jets for Scatt Composit, detensions and John Markell, left

the Grand Challenege Cup, es-caped the Yankce invasion when all four U.S. entries in "C-Grand" went out in the first round, leaving a combined Oxford University Thames tradesmen's crew to defeat the British National Team, rowing under the colors of the Leander and the Tyrian Clubs, and to keep the cup at home. Oxford staged a daring race, coming from a three-quarter-boatlength deficit midway in the 1-5/16-mile-long course to overtake Leander at their milepost. To the cheers of the spectators lining the finish, Oxford drew away from Leander to win by a half-boat length in the time of 7:15. The British National Team had

upset Washington on Saturday. A strong headwind blew down the course throughout the day's finals, causing slow times and long races. The Charles River Rowing Association, the U.S. national training squad, made the most of its 50-pound-per-man weight ad-

vantage, rowing into the headwind. Charles River won the Thames Challenge Cup over the British National Lightweight Squad by 2% lengths.

Repeat Winners

Holy Spirit High School of Absecon, N. J. won The Princess Elizabeth Challenge Cap for the third time since 1974, defeating Emmanuel School of England by

one and one-third lengths in 7:48. Yale University, which brought 37 oarsmen to Henley this year to compete in five of the Regatta's 13 events, failed to win any of the competitions. Perhaps Yale's big-

gest disappointment came in its loss of the Ladies' Challenge Plate. Yale's Junior Varsity Heavyweight Crew has won this event for the last two years. All the Elis' hopes hung on Sunday's Ladies' Plate Fi-nal, with Yale's JV Heavyweights

the sole remaining crew in compe-tition. After leading Washington's JV Heavyweights to the threequarter-mile post, Washington be-

gan to move on Yale, narrowing the Elis' lead until the Huskies overtook Yale with one sixteenth mile left to go in the race. The spectators were on their feet, cheering Washington as it dipped Yale at the finish, but what was not apparent to the spectators was the ineffectiveness of the Yale bowman, Edward Burke. Burke had lost the wheel on his

feet at the three-quarter-mile post, the point at which Washington be-gan to move. When Tony Johnson, Yale's coach was asked after the race whether he thought the loss of Burke had affected the outcome of the race, he sportingly said, "No." The loss of Burke clearly made the difference in the race, enabling Washington to achieve its onehalf-boatlength victory.

Canadians Excel

singles rowers in the history of the sport. Kelly was also a brieklayer In the women's exhibitions, Lisa Roy and Janis Mason, the Canadiby trade, and in 1921 tradesmen an double scullers, became the first were not admitted and were not women to achieve victory at Henconsidered gentlemen by the stew ards who then ran this Regatta. ley. The Canadians defeated the American Geers, rowing as The Kelly won gold medals for the United States in both the single Dartmouth Rowing Club in a ver-dict of "easily," or by more than and double sculls events in the 1920 Olympics, and repeated his gold medal in the double scull in the 1924 Olympics. When Kelly five lengths.

The victorious national titles were reversed in the other women's events for coxed fours, as the U.S. team made up of last year's wom-en's Olympic crew defeated Canada's Adanac Boat Cluh in another 'easily" rowed victory.

122d Queen's Plate

gained a certain vindication when The Associated Press he twice won the Diamond Sculls here in 1947 and 1949. Jack Jr. was TORONTO -- Fiddle Dancer here Sunday, when his sister was Boy charged from behind to beat Wayover by a nose Saturday in the S184,025 Queen's Plate. The favor-ite, Frost King, was third, a half-length behind Wayover in the 122d representing royalty and presenting the prizes. knowlwdege of the sport, stirred running of the 14-mile race for Canadian-bred three-year-olds. the crowd when she said, "I know what it means to compete at Hen-Fiddle Dancer Boy's time of 2:044-5 was well off the stakes ley from both my father and brother. For an oarsman, it is the record of 2:02, shared by Victoria Park and Regal Embrace. chance to race among the very best.

well as cabbage.

Watch out for French, especially

phony French, which is supposed to transform plain fare into grande cuisine. Turtle soup au sherry is surely self-mocking. Broiled steak minute is silly, if a French name is desired for a broiled minute steak.

try steak minute grille, or entrecôte.

to be poetic in the naming of dish-

es," reports George Lang, anthor of "Lang's Compendium of Culi-nary Nonsense and Trivia." "For

example, vol-au-vent, one of the

most common pastry shells, is sup-

posed to be so light that during Louis XIV's time, his second wife, Madame de Maiutenon (who

founded the famed Cordon Bleu

school to teach young girls the art of cooking) named the shell 'vol-au-vent' — literally, 'flying in the

Which calls to mind a menu that

Monique Pierredon, proprietor of

"Le Steak" restaurants, sent along

to show how one restaurateur in

wind,""

There are many clumsy efforts

Philadelphia Theater Drama, Act 3

A Victorian Victory: Opera to Burlesque to Chinese Movies

PEOPLE: 'Picasso Intime': Daughte Displays Private Collectio. Nap Str mind, he said.

Putting the Carte Before the Menu

By William Safire

Page 18

NEW YORK - Any logical IN person reading menus in the United States would be alarmed at the plight of the onion: Some steak and almost all liver is offered with smothered onions."

That's a cruel way to strangle an onion. But the transformation of the phrase "smothered in onions'

to the meaning-less "with less smothered onions'' illustrates a mindless in the second pretension in menu writing.

2 Vegetables on le menu du jour are fresh-frozen (Why fresh-fro-zen? Because Safire they are not stale-

frozen? No; the vegetable is fro-zen, not fresh, and "frozen when it was fresh" is just a way to make the nonfresh sound (resh.) Fresh, of course, is the adjective that menu writers reach for when they feel their writing going stale. What, in describing bakery items, does oven-fresh tell us? Did it really come fresh from the oven - or did it come in a truck from the bakery?

Edward Maas. of Lakewood, N.J. - who eats at a local Burger King because be likes the sign that recklessly urges motorists to "Drive Thru Window" — sends along this J.C. Penney menu with munchy modifiers: "Dixie Fried Chicken - tender and juicy, gently coated with a seasoned batter then fried to a crunchy goodness. Served with fluffy whipped pota-toes and garden vegetable." In this munchy-crunchy land, hearty soup is served from steaming tureens, and all sandwiches are oversized (to be eaten in overstuffed chairs). sent out of gourmet kitchens by chefs in their designer aprons.

In a classic study of the style of restaurant menus published in American Speech magazine, Ann and Arnold Zwicky of Ohio State University noted the prevalence of past-participle modifiers: "Among participles naming modes of cook-ing," they write, "broiled and poached seem to occur most often. Some menu participles --- married, kissed and handcrafted, for exam-

ple - are not part of the vocahulary traditionally associated with cooking, but most are cooking words, often modified — gently simmered, specially flavored, ker-tle-simmered, delicately hroiled."

Some modifiers get misplaced. Spring leg of lamb bothers Rich-ard Orioli of Webster, N.Y., who wonders if it augurs "a leg for all seasons"; very few eating places offer leg of spring lamb. But a few years later, the last stripper unzipped her last zipper, and The Trocadero, a tawdry old theater of burlesque, started changing into a Chinese movie house.

Today, the reincarnation sits on the edge of Chinatown, a re-stored Victorian structure that David Ginsberg of Roosevelt Is-land, N.Y., claims he saw a maca-hre menu advertising "chef's own liver, cooked to perfection." serves as a sort of cultural cement in pulling this town's 10,000 Orientals together.

A few restaurant menus cling to unpretentious old words. In Mel Krupin's in Washington, the chopped steak, as the hash houses The story of Pang's theater be-gan in the United States in 1870, the year the Arch Street Opera call it, is called "hamhurger," a word that originated in "Hamhurg House opened. In China, it be-gan in 1941, the Year of the Snake, the year Pang was born in steak," so called because Netherlands beef was shipped to Germa-ny and France via the port of Hamburg.) At The Four Seasons in New York, Tom Margittai and Burd Veri are the seasons Canton.

ked wome

Rebuilt, Renamed After Fire

By Chris Roberts

The Associated Press

PHILADELPHIA - In the beginning, Stephen Pang covered up the photos of the na-

The Arch Street Opera House burned down in 1872, but was re-built. In 1903 it turned to bur-Paul Kovi serve a "slaw" — not cole slaw, which is Dutch for "cab-hage salad," hut just "slaw" — a salad of shredded carrots, zucchi-ni. celery root and cucumbers, as lesque, renamed The Trocadero after a theater in Paris, and soon shortened to "The Troc."

Comedians like Abbott and Costello, Billy "Cheese and Crackers" Hagan, W.C. Fields, Phil Silvers, and Red Buttons played there. Striptcase artists like Tempest Storm, Georgia Southern, Blaze Starr, Lili St. Cyr danced barefoot on its stage. Then came television, and later

X-rated movies and 25-cent flesh shows. Burlesque was on the ropes, the comics hared away by the electronic media, the pit musicians out of jobs.

Cook in New York

At the end, The Troc was a deretict, falling down and smell-ing of disinfectant. Hard-porn novies shared the stage with the dancers, mostly moonlighting go-go girls who yawned and took off everything and had names like Takya Vestoff ("The Cossack's Delight"), Ema Nems ("She melts in your arms"), and Carlotta Tendant ("You'll want to park here all night").

the Far West adds elegance to his On March 31, 1978, The Troc closed.

Pang, meanwhile, had become Pang eventually paid \$74,000 for the theater. He had modest a cook. He moved to New York City in 1959 and eventually married a girl from Philadelphia. They moved here. Three daughters and three sons were born. In the early 1970s Pang, who had opened a Chinese restaurant

and the second second

in nearby Bucks County, got in-terested in The Troc. "We didn't have a Chinese theater in our community." he re-calls. "So I decide to rent The Troc for a Sunday tryout. We covered up the pictures of all the naked girls and rented some Chinese-language films."

plans for renovation - some fresh paint (Chinese red), a new front some new seats. Then he discovered he had bought a landmark listed in the National Reg-ister of Historic Places. He could fix it up, but he couldn't change

"The historical people, they said it was the only Victorian theater to remain in the United States. I think, 'Oh boy, what have I done?"

"We had to dig up old docu-

1.

. .

1.15

cadero for two days and the Pennsylvania Opera Theater, Pang's first non-Chinese tenant, performs there regularly.

But mostly, it's the movies, family-oriented films produced in Hong Kong and Singapore and shown as double features in dren.

the families, for the ones in which the father and the mother both work. They know they can leave the kids here, that they won't be out on the street."

Bat it is the old people that Pang says have come to love the theater the most.

and announced that be was ap-pointing Simon chairman of the new American Commission on "For them it's a gorgeous pres-ent. Lately, we have a lot of Thai, Cambodian, Vietnamese people come to the city. The old ones, they feel depressed, strange, in a new land, in a new life.

They live in rooms. They don't understand the TV. But each week, when the movies change, you can always find them at the front of the line."

she says was full of tenderness and an "extraordinary lover" of her mother. The exhibition, called "Piments. They wanted it painted the original color. There was a quarter of an inch of paint. It was like chiseling through the rainbow. Then we found it, ivory with gold leaf." Watchful Eye

Under the watchful eye of the Victorian Society of America and with some tax hreaks and prom-ises of grants from state and federal historic agencies, the restoration progressed.

Yesterday's splendor popped out as paint was stripped from stained glass windows, huge be-veled mirrors and brass banis-ters. The gilded, fat-faced hons that flank the stage boxes got a fresh coat of gold leaf.

The restoration was completed in August of 1979 at a cost of about \$200,000. There was a grand opening with Chinese fan dancers and acrobats.

Last May a Chinese opera company performed at The Tro-

Mostly Movies

"In a way," Pang says, "we've become a big sister for many of

Productivity. Simon noted that the gathering included Alexander M. Haig Jr., the secretary of state; William J. Casey, director of the CIA; Donald T. Regan, treasury secretary; Richard V. Allen, na-tional security adviser, and Edwin Meese 3d of the White House

casso intime" and showing at Geneva's Musée de l'Athénée until Sept. 6, comprises 89 canvases, drawings, water colors and bronzes as well as assorted mementos. says his appreciation for Americ. Most of them were kept in bank vaults even before Picasso died in 1973 at the age of 91. Baptized Maria Conception, Maya is the daughter of Marie-Thérèse Walter, who was 17 when Picasso first met her at a Paris department store in 1927. It marked the beginning of what the paintings prove to be a passionate romance between two "beings ... united by love of life and of love, a mad, cruel, immense, marvelous and touching love," the daughter, 45, recalls. Marie-Thérèse figures in 17 works dated between 1927 and 1942. But there are also works depicting Maya at various ages, as well as other members of a family which comprised three women and four children and was "incongruous but so united," as she told reporters at

the opening. The collection is val-ued at about 80 million Swiss

* * *

President Reagan kept a long-standing engagement and helped inaugurate the William E. Simon

chair in political economy at the

Georgetown University Center for

Strategic and International Stud-

ies. The ceremony to honor Simon,

the former treasury secretary, was originally planned for March 31 but the president was shot the day

before. Georgetown endowed the Simon chair with \$2 million pledged by 20 major corporations.

The effort was organized by Justin

who belongs to Reagan's inner cir-

cle. The president praised Simon for his "unabashed advocacy of

the principles of human freedom'

staff: "It seems to me that you have gathered here tonight in defi-

Dart, the California busine

francs (\$38 million).

The private collection of Pablo Picasso's daughter Maya went on

public display for the first time, al-

lowing a close look at the father

becue at a Virginia plantation f lowed by a Gay Ninetics picnic the White House south lawn. Me Reagan will be 58 on Monday. 3 43 * * * Musician Mstislav Rostropovi. 27

Reagan celebrated the Fourth July and her birthday with a b

beauty has grown in the sev, x vears since he fled the Soviet L, ion. Rostropovich and his wisk singer Galina Vishnevskaya. the Soviet Union in 1974 with the second sec vironment of a land has a great i fluence on its people. America 13 are a people of a grand sweep. the same extent as their count 24 The beauty of this country and variety are totally extraordina: And during the time I have spect here, with a great deal of pleasu # have noticed that Americ: , have crystallized feelings of pa: otism towards their country."

* * *

A roomful of antique Canadi, furniture, including a four-pos: bed, will be Canada's major were ding off to Prince Charles 2 9 ding gift to Prince Charles 2 Lady Diana Spencer. The gift v H supposed to be a secret until clo to the July 29 wedding date word leaked out this week fr is the office of Prime Minister Pie Elliott Trudeau. Col. Georges F nier, director of state cereme who helped choose the gift, not pleased that the secret was . before the prime minister cou make the announcement planned on July 16. "I'm terrib annoyed," he said. But a Bucking ham Palace spokeswoman saio "Oh, how lovely," when she hears the news. Bernier, who said th palace was our sulted on the choic of gift, had upped the furnitur would be delivered to London be fore the news was announced, / Buckingham Palace spokesmasaid the furniture would go to th Kensington Palace apartmen being readied for the royal coupl. in London or to Prince Charles country home in southwester England. Canada's gifts to Quees Elizabeth II for her wedding b Prince Philip in 1947, when shwas still a princess, included . mink coat and a silver dinner ser



ALC P

contact our local distributor ary	627900 CCMIOMG.	SWISS DEVELOPER, Evian spa and co-	EMBASSY SERVICE	London WCZ	Calle G.R. Interim, Paris 225 59 25.	Tel: 022/55 44 43, Telex 28279 3007 Barna, Sulgerrain 28 Tel: 031/45 10 45, Telexa 33850.	tation, 4 languages, home 633 Y? 85.	is business. Criswell's, Fort McCoy, Florida 32637, U.S.A.	BELOW THE SEA Vorth Tel Bin
International Herald Tribune 1801 Tai Scing Commercial Building 24-34 Hermony Road	BUSINESS SERVICES	sino resort on Labs Genova. Secutive	8 Ave. de Messine, 75008 Poris		TONESTIC	Tel: 031/45 10 45, Telem 33850.	INTERPRETER TO ACCOMPANY busi- ness executive. Tel: 633 68 09.		PEN ON THE SEA. Yochts, Tek Piro Greece, 4524069, The 21149.
	IN GENEVA TOP SECURITY	F330,000. No restrictions for purchase by foreigners. Wrist to Developer, c/o Globe Pan SA, Mon-Report 24, 1005 Lossone, Switzerland, Tet 021 223512,	Agent in Paris 562 78 99	4721320	POSITIONS AVAILABLE		LEGAL SERVICES	1600 - 1.881. Original Manuscripts, Letters, Wills, Indextures, on Velium, Private collection, Will sell individually E3 to E25, Officer Landon 588 7106,	
Tel: HK 5-286726	Body-guards and CAR RENTAL with driver, Rolls Casillac-Mercades, VIP SERVICES, 1 Chantepoulet, 1201 Geneva. The 27708 GTEIS, Tek 317925,	Lausanne, Switzerland, Tek 021 223512, The 25185,	144 NEAD POIL	DYNAMIC creative lody entrepreneur SDi, ex : civil servent SUK) with browd-	AMERICAN FAMILY, 2 children, march	CHEROKEE WAGONEER		E3 to E25. Office London 588 7106, Home 995 7491,	PAGE 15
DIVORCE IN 24 HOURS	Geneva. The 27708 GTEIS, Tel: 317925.		16th NEAR BOIS	(30), ex - civil servent (UK) with knowl- edge in business studies & journalism. Seeks employment with American /	AMERICAN FAREY, 2 chidren, needs househooper to cook/chicn Aug. only, Switzerland, Chateau d'One, Tek Paris 500 32 99 office or Box 107, Hendel Tribune, 92521 Neutly Cedex, France.	NEW 4 X 4 - 4 door air conditioned	U.S. IMMIGRATION VISAS. Tolstr. 20, 4th floor, Zurick, White US Lowyer	MONING and late sole branchold	FOR MORE
	DON'T VISIT PARIS ALONE. Toke a	U.S.A.	Mograficent double living, 3 bachoons, kitchen, 2 boths, phone, F 6500. Tel: 280 20 42	Secta employment with American / Canadian or Japonese or ponisation on the international scene. Stroys people, travel, bools & music. Reply Aes Lay- ton, Sea 39697, RtT, 103 Kingsway, Instant 2007	500 32 99 office or Sex 107, Herald Tribune, 92521 Neully Cedex, France,	ARMORED CAR	4th flace, Zurick, Write US Lowyer Domon Spilos, 1 discovre Tower, Mi- ami, FL 33131. Tel: 305-643-9600.	MCVING end July; scle, household, VW Palo 79, Mercades 74, speedboat, Fjar'd 81 19 B. Paris 745 41 72	CLASSIFIEDS
aiti ar Daminican Republic. For infor-	high standard private guide with car. Call AFOS: 541 01 89/539 55 75.	U.S. REAL ESTATE	100 20 42	troval, books & music, Reply Mes Ley- ton, Sox 39697, RfT, 103 Kingsway		VALUE \$100,000 Special price \$50,000		10001190.1007054172	
Doklet/handling to: Dr. F. Gonzales, DA. 1835 K St. N.W. Washington	US TAX ASSOCIATES. Tox returns and	COMMERCIAL PROPERTY SALE AND LEASEDACK	ETOILE Sumption		DOMESTIC	and the second			
Autual or contested actions, low cost. tation Dominican Republic. For infor- patian sand \$3.75 for 24-page oakter/handling to: Dr. F. Ganzales, DA, 1835 K St. N.W. Washington 0.2. 20006, U.S.A. Tel. 2022-452 8331 or 03-820-0674. Worldwide sarvica.	consulting. Paris: 563 97 23.	Excellent cash flow, longe equity oppre-	+ 4 bedrooms, 2 boths EWBASSY SERVICE 563 68 38	AMBITIOUS YOUNG CANADIAN Male with Post-Graduate Communica- tions Economics & French. History of	POSITIONS WANTED	JEEP all models available EAGLE all models available	PLACE	YOUR CLASSIF	ied ad
	FINANCIAL	in baoming U.S. Health Care Reid, LE,		minterne abunat Cash analysis	ESC CHEF, Lo Varenne Grand Diplama,	JEAN CHARLES Official Importer American Mators France	QU	ICKLY AND EAS	SILY
uncontested, Butwe, Inc., 35 Winconsin]-	INVESTMENTS	Excellent cash flow, longe equity oppre- cation, toke advantage of coming hand in bocraing U.S. Headth Care held, LE, hospitale and nursing homes, as well as Dead drivers with President-Owner.	FACING HOTEL CONCORDE LA FAY- ETTE, hourous studia, duples, bath.	in interactional commerce/communi- cations. Write: Flor 1, 43 Wilton Cres- cent, London 5W1.	EBC CHEF, La Varenne Grand Diplama, experienced, specks English & Afri- toans seeks job. 288 83 22 Paris.	American Molars France		al IHT representative with your	
NVORCE 81 24 HOURS. Contested / uncontrated. Burlete, Inc., 35 Wiscomin Carde, Wathington, D.C. 20015. EELING lever? - harving problems? SOS HELP crists-line on Empth. 3 p.n 11 p.m. Teb Paris 723 60 80.	U.S.\$ 10 MILLION available at 10.5% for years. Must have prime bank guar- antee. Bax 108, Herald Tribune, 92521 Neuilly Codex, France.	CONTACT REDOLEN TESSIER	ETTE, knownow studio, duplex, both, phone, no ogency fees. F 3200 to F4200. Short form lease. Visit today: 95, Biel, Giowian St. Cyr. Peris 17th, Tel: 574 35 67.	DYNAMIC/SERIOUS, 28, good refer-	ENGLISH NANNES & Mothers' Hales	28 rue Coude Terraise PARIS 16th - 524 43 33 Telas: 630 091	the cost immediately, and	once prepayment is made yo	ur ad will appear within 44
SOS HELP cross-line in English, 3 p.m	Neuilly Cedex, France.	HOTEL NEGRESCO	95, Bid. Gouvien St. Cyr, Paris 17th. Tak 574 35 67.	pleted computer programming course	Free now. Nash Agency, 27 Grand Pa- rode, Brighton, UK. Tak 682 666.		hours		
VA in English colly, Ports. 108: 323 76.03./551.38.90.	OFFICE SERVICES	HOTEL NEGRESCO NICE, FRANCE TEL: 93-882951 JULY 2nd THRU 11th	STELL FILEE 11 to 30 July, beautiful con- file, 12 roome, 6 boths, antique furni- ture, swintsming pool, one hour and a holf Pons. 574 96 77 or 758 55 62	Gop. ED) 52-80, seeks interesting job			BY MAIL: Send your text	to your local IHT representative	e and you will be advised o
UN N.Y. TIMES, jet Euro-delivery. Write POB 2, 1000 Brussels, Belgiura.			ture, swintsning gool, one hour and a half Pons. 574 96 77 or 758 55 62		SEEK housework, experienced chouf- feur-cook-burler, house pointer, Rafer- ences, Paris 5045366 before 4.30 pm			by return. Payment before put n urgent business text, telex	
Success? Games People Play & Asser-	KENSINGTON BUSINESS CENTRE Newly furnished serviced offices and/ or full business facilities. Short/long term. Tel: London 938 1721 Tz: 22861	REAL ESTATE	Press provide		ences. Paris 5045366 before 4.30 pm	FROM STOCK Alfenc GTV 78, S729,000. Volvo 245 Station, 79, SRT 10,000. Mercados 200, mev. blue, cir. Cheryy Recreation Von, new, § 14,500. Castilicoz, Lincola, Joguars, Range Rovers, Land Rovers, Averades ond other leading acutes creatioble. Some day registration possible.	within 48 hours in our IN	TERNATIONAL BUSINESS A	
INPROSIS: Weight - drinking - smok- ing - pain - past lives. Paris 293 40 77.	term. Tel: London 938 1721 Ta: 22861	REAL ESTATE TO RENT/SHARE	MAGNERCENT apartment, 'povilian', Bois de Vincennes, tranquility, privacy, terracas, fineplaca, clase metro, for single/couple only. Tel: E/3 40 94	ish, EC national, seeks challenging		Mercedes 200, new, blue, cir.	For your guidance: the ba	sic rate is \$8.20 per line per d	av + local taxes. There are
RESIS Counseling, Psychoanalysis, Masters & Johnson, Paris 293 40 77	LONDON BUSINESS ADDRESS/ PHONE/TELEX. Executives, Suite 66, 87 Regent St., W1. TeL: 439 7094.		Single/couple only. Tel: 673 40 94 MARIS Selit: for summer, 3-room opert-	Sume, 92521 Neutly cades, France.	AUTOMOBILES	Cadillors, Lincolm, Jaguars, Range	25 letters, signs and spoo spoce is 2 lines. No abbr	es in the first line and 36 in th	he following lines. Minimum
	ICADCA CERTE International Ser.	FRENCH PROVINCES	FARS Stit: for summer, 3-room opert- ment, comfort, F 3500/month, Tel: 325 66 11.	RENCH LADY, abistrat manager, multilingual, seeks work for travel. Knows Asia, America and Europe very well. Kiefer, 5 rue 2. Lanar, Paris III.	FERRARI STOPP	other leading makes available.	spoce is 2 lines. No obbr		
MOVENG	vice. All facilities. P.O.S., 31 Croven St, London WC2. (01) 839 7481.	DEAUVELE: Breathacking view action, kaurious villa, private park, 9 rooma, July - August special. Telephone Paris 329 00 25.	AVE. FOCH, leary, fully equipped 2 bedrooms, 2 boths, Tel: 501 89 80.	I COADLATE ARCHITE TIME Share	FERRARI 312PB	IC7KOVITS			•
ALWAYS	OFFICES FOR SALE	320 00 26	EF ST. LOURS, becamful 2 rooms. July 15 - Oct. 15. F 4500. Tel: 633 30 08.	from top American university seeks po- stion in related field for 3 to 6 months, preferably in Pans. 265 46 59.	ex-foctory world championship teom	Chandenstress 36, CH-8027 Zurich Tel: 01/202 76 10. Telen: 53444.		above cases, you can	
PERFFECT		UIDGENT: near Cannes, beautiful villa for 7 persons, of conforts, pool, flow- or gardes, Available July - August. Tel: (76) 74 91 54.	LATIN QUARTER, 3 rooms, kitchen, both, central heating, 354 65 67.	preferably in Pans. 765 46 59.	en-foctory world championship learn car with enportent hatory. Abecutely masseen contribion. Mr. Soche, New York, (212) 676-8023, (days only).	Tel: 01/202 76 10. Teles: 53444.		delay by charging your	
	AVE CHAMPS ELYSEES	Tet (96) 74 91 54.	1616 Auteuil, 2 rooms, condort, F 2,800, Jul/Aug, 520 57 21, 647 85 15.	EDUCATED, ATTRACTIVE Britsh wom-				Express Card account	it.
FROM	For sale 800 sq.m. offices on 3 floors. Modern building, 322 37 69 Paris.	GREAT BRITAIN	PARIS AREA UNFURNISHED	cm, Susmess experience, seeks interest- ing position Paris, 579 55 17 Paris PARIS YOUNG LADY, PE/resident		EDUCATION	Cards Please ind	cate the following:	• •
INTERDEAN		Cinteres		PARIS YOUNG LADY, PR/asistant, freelance. Free to travel. 553 74 27.	AUTO SHIPPING	In the second se	NAME:		
	REAL ESTATE FOR SALE	CENTRAL LONDON	CHAMPS ELYSEES, newly redans, 2 rooms, equipped kitchen, both, WC, telephone, F 2300, Tel: 326 92 90.	SECRETARIAL POSITIONS AVAILABLE		LEARN FRENCH FAST, mini-courses & country weekends. Paris 052 57 77.	ADDRESS:		
The	FOR SALE	MEWS HOUSE	BD. ST. GERMAIN peted bedroom, particleg. F3,500. Tel: 720 82 18.		SHEP YOUR CAR TO & FROM U.S.A. VIA ANTWEEP AND SAVE From ho-			·	TEL.:
International -	FRENCE PROVINCES	3 beds, 2 receptions, roof gorden. Avail- able short or long let from 15 July 1981. Tel: (01) 668 9311, externation 3373 (Mrz. Unwin)	REAL ESTATE	INTL COMPANY PORTE MALLOT	HL Regular solines, JPK/McGure Air-	LOW COST FLIGHTS	COUNTRY:	· · · · · · · · · · · · · · · · · · ·	
Mover -		[Mrs. Urwin]	WANTED/EXCHANGE	FERSONAL ASSISTANT for the President, Europeon Division. Preferably English mother tongue, able	2. Arowerp, Belgium, Tel. 31 42 39. Telex: 71469.	RYU.S.A. FF1170	Please charge my od to my	American Express Cord account re	apper:
MSTERDAM: 44.89.44	VILLAS COTE D'AZUR	COCSHOTT near Cabhant, Surrey, Lustu-	INT'L OFFICE	Preferably English mother tangue, able to speak / write perfect French, Escal-	and the second se	PARIS TO NEW YORK Lowest fare on a tchestoled advine Phone: Capitol on 735 \$7 62 23 Ave. de Wagnan, 75017 Paris.			7-7-7-7
MENS: 894.76.11 ACCELONA: 652.31.11	house on % acre land, beautiful garden	ry country house. 5-6 beck, 3 recep- tions, 3 boths, new fitted latcher. Pr-	SEEKS FOR ITS MANAGEMENT,	tent secretand sale, sense of organiza- tion and expension in holding respons-	FRANKFURT/MAIN-W. GERMANY. H. Isermann GmbH, Tek 0611-448071. Fick-up all over Europe + ra/ro-ships.	Phone: Capitol on 755 87 62 23 Ave. do Wassers, 75017 Paris.	Man Providence		
2000 05.07.37 EEMEN: 31.05.91	CANNES, Country Club, local-style house on % acre land, beautiful gorden with add tress, lounge with firsplace, terrace, finted kitchen, 3 bedroors, 2 bathrooms, garage, FF 1,700,000.	COCSHOTT near Cobinant, Surrey, Luzu- ry country house. 5-6 beck, 3 recep- trons, 3 boths, new final kitcher, Pri- vate estate. Close Landon, cirparts, American School, Long let £1400 / month. Tel: Orahott 3655 evenings.	Beoutiful high class oportment, 4 100ms and more. Parls 281 10 20.	restratory organi motiver langue, come to speak 1 write printic French. Eacel- lent secretarial skille, sense af organiza- ton and expensions un holding respons- able positions exercised. Send reclies to Box 104, Hendel Tinbune, 92521 Neutify colds., France.			VALIDITY from:	SIGNATURE:	•
		Salt Simon Law & Surphard Rol 2	LONDONL E. FINCHLEY. Specieus, fut- ly modernized house on quiet cut-de-	Level, nonze.	TRANSCAR 20 rue Le Sueur, 75116 Peris, Tel: 500 03 04. Nieze 83 95 33. Antwerp 33 99 85. Connes 39 43 44.	TO USA or WORLDWIDE, contact your US travel agent: Paris 225 12 39.	10:	·	
LANKFURT: (06190) 2001	Near CANNES, country house on 2 acres land, loungs/dening room 150 acre, finglicas, terrace, long trichen, pontry, 4 bedrooms, 4 bettrooms, best- ment including 2 bedrooms, bettroom and shower, FF 2,200,000.	bedrooms, 2 bahrooms, foundation not for ing, fitted latchen, ideally structed overhooting 5). Jame's Soucre, Enbas- sy / Company lets, § 250/week indu- tive. Detabl (01) 653 0178.	soc. Large inches with close to guer					PARIS (HEAD OFFICE)	
HE HAGUE 601108 P IOUSTONE 448 9553	nent including 2 bedrooms, bathroom	overlooking St. Jame's Square. Embas- sy / Company lets, £250/week indu-	soc. Large kinchen with doors to gar- den, distwasher, squaped kaudhy room, 4/6 beds, 3 batts. £95,000 ar exchange Pars apartment. Tek Lon- dan 444-0828.	Seek for long assignments	ſ		For Fran	e and all countries not liste	ad balance
OUSTON: 448 9553 a ONEON: 961.41.41 ONG BEACH: 598 5511 MDBD: 671.24.30	DREAMS THE CANADA	tive. Details (01) 653 0178. LONDON - For furnished flots and			j		181 Ave. C	harles-de-Gaulle, 92521 Ne	willy Cedex.
ADIED: 671.24.50 AUNICH: 141.50.36 E IAPLES: 738.32.88 0	DREAMS English Section, Ref: RF Especes Grimadel, 11 rue Maccoroni 06000 NICE, FRANCE (93) 87 27 54	IONDON - For furnished flots and hauses, the service leading US Carpo- rations we Anscombe & Ringland. Tel: London 435 7122. Tiz: 299660.	EMPLOYMENT	EXPERIENCED high solory	li	i		.: 747-12-65. Telex: 6135	
EW YORK: 371 1760		London 435 7122. The 297660. LONDONL For the best furnished flats	EXECUTIVE	Apply: INTER RELAIS	1		Racer	STANDALASHA "F	
ARTS: 742.85.11 GME 475.43.57 TENNA: 82.43.64 URICH: 343.20.00	CREAT BRITAIN	LONDONL For the best furnished flats and houses. Consult the Specialists Phillips, Kay and Lewis. Tel.: London 839 2245.	POSITIONS AVAILABLE	92 rue St. Laware, Paris 9th Tel: 281 St 25			BUROPE	SCANDINAVIA: For subscrip- tions contact the Paris affice. For	STRAEL: Dan Ewlich, 23 Massada Street, P.O. Box 11297, Tel Aviv. Tel.: 229673 & 242294. Tales: 341118 BKTV #. EXT 6376.
URICH 363.20.00			THE BURGHEAN COUNCIL of Jawish Community Services seeks on execu-	-			AUSTRIA: Mokin Winte, Bank- games, Br. 215, Vienna 1. Tel. 6394-04. BELGIUM & LUCENBOURG:	tians contoc the Poris office. For estimating only contoc Emma Rash is London: Tel.: 242 51 75 Teles: 252009. SPARE Affrado Umicuiff Sorreisen- to, Pedro Teinesiro 8, Eberics Mart 1, Office 319, Machel 20, Tel. 4553306-4552891. Tk., 46172 CONAE, 40156 COVAE. SWITZEBAND: Guy Yan Thayne and Mashall Wake, Tas Vones, 15 Chemin Down, 1009 Publy/ Loucaine. Tel.: 8021128-58.54. Telés: 50722 GYY CH. UNITED KINGDOM: For sels- actifices for advertising only con- tect: Emma Rash, 1H.T., 103 Kingsway, London, WI.C.2, Tel.: 242 51 75. Teles: 25209.	341118 BXTV # EXT 6376.
	CENTRAL LONDON PROPERTIES. Fists, houses, a few holes & blocks of 4-20 flots, marity Freehold. Write to Lurase, P.O. Box 229, Kennington, Lon- don W8 or phone London 602 5555.	BOLLAND	Community Services seeks on execu- tive director, with extensive experi- ence in communal work. This is a sen- nor executive position colling for a mo-		1		BELGIUM & LUXENBOURG	SPAIN: Alfredo Umiculi Samien-	JAPAN: Tadash Mari, Media Sales Japan Inc., Tamuracho Building 3-3-14. Shimbashi, Minato-ku, To- layo 105. Teles: 25666. Tel- 504 1925.
SEDEL 2/TERNATIONAL MOVES ince 1850, Al Rossum 834 91 60 Paris.	don W8 or phone London 602 5555.	Renthouse International	ture personality, management skills, and fluency in English and Franch Par-	Don't miss INTEINATIONAL		avertisetas	mans, 1060 Brussels, Tel.: 343.18.99, Tales: 23922 AMX	1, Office 319, Modend 20, Tal. 4553306-4552891, Tbu 46172	No 105. Teles: 25666. Tel.
TL MOVING & EXPORT, boggoge.	PARIS & SUBURBS	020-448751 (4 lines)	ture personality, management skib, and fluency in English and French. Par- is based, considerable travel, Bor 106, Herald Tribune, 92521, Neu-Jy Ceder,	SECRETARIAL POSITIONS	II - 17 151 - 1€1 - 1	NER SCI LENGING	GERMANY: For subscriptions constact the Paris office, for od-	SWITZEBLAND: Guy Yan Thayne	LEANON, JORDAN, STRIA
Air & sea Freight, imports, containers. Marin Air Frei, 8 r. Duban, Paris 16. Tel: 288 73 97, 647 70 11 Tb: 630685F	Neauphle-le-Chateau	Antstendom, Bolestein 43.	ITIGRES.	IN the INI Committee Section.			Karin Ohif, LHLT., Grasse Es-	15 Chemin Davel, 1009 Fully/	LELANON, JOEDAN, SYRIA, IEAO & ESYPT: Wold Azz, TAMAM SAL P.O. Box 11488 Bairut, Tal, Homms 341457, Tal. Sunock 335552, Talan: 2017 LE
es: 200 / 3 7/, 64/ /0 11 1b: 630585F		PARIS ABEA FUENISEED	GENERAL POSITIONS AVAILABLE		1		Frankfurt/Main. Tel.: 283678.	Teles: 25722 GVT CH.	Sursock 335252 Teles: 2017 LE
BUSINESS OPPORTUNITIES	36 km west Paris. 16,000 sg.m. property. 10-room house. Comfort - panorante. C1. Raynaud		WANTED		1		GREECE & CYPRUS: J.C. Rannes- son, Pindanou 26, Athens Tal.	scriptions contact the Paris	Sebastion, Mile Sebastion Associates Inc., 5. Statistics Web
	32, Avenue de l'Opero, Poris. 742 68 34	RENT OR SALE	As af mid-July and for three months, a young French lady to be comparison to an 8-year old boy to look after ha education and wettare strang his raco- tion in Europe & Meddle East.	IMMEDIATE OPENINGS	Low 14	Thiban	3618397/3602421. Telex: 214227 ESEGR	Kingeway, London, W.C.7 Tal.	SINGAPORE, MALAYSIA: Mile Sebastion, Mile Sebastion Associ- des Inc., 5, Stodium Wolk, 3rd Poor, Singapore 1439, Tal. 44070 81, Teles: RS20476 Coble: MIKEADS SINGAPORE
sole. Sole owner is geologist and exper-		IST. CLASS APARTMENTS & HOUSES FURNISHED & UNFURNISHED	to an 6-year old boy to look after his education and welfare during his -aco-	and well part jobs for BIUNGUAL SECRETARIES, ENGLISH	пегаш	Tribune	ITALY: Antonio Sambrotta, 55 Via della Mercade, 00187 Rome.	242 51 75. Telex: 262.009.	
buy back in Remon for selling long	1000 SQ.M. GARDEN				The internati	onalessential.	Tel. 6/9-34-37. Teles: 610 161. NETHERLANDS: Arrold Tensing/	OTHERS	reand, International Media Re. reantatives, PO Baz 4,145, Johannesburg 2000, Tel. 2 0717. Teles: 8-4013,
term capitol gain tax advantage. Can-		11 I - Baundanah	renson should have a good introviesbe				1018 GZ Amstendam. Tel: 020-	HONG KONG: C Chestry & Asto-	Johannesburg 2000. Tel. 2
term capital gain tax advantage. Can- tact or write James G, Heath Inc., (100 Bilglade, Fort Worth, Texas.	PARIS - NEURLY ST JAMES + 240 sq.m, operiment, new.	551 66 99	him Salary will be recent of the work with	and a second			24 24 14 Tul- 12179	Building ros Commer-	0/17. Teles: 8-4013.
status us can concrete and a concret	+ 240 sq.m. aportment, new.	51 La Bourdenais Faris 7 551 66 99	Parson should have a good knowledge of teaching and be ready to knowl with him. Salary will be agreed upon at inter- view. All other expenses will be paid.				263615, Telen: 13133. PORTUGAL: fito Ambor, 32 Ruo	cial Building, 18 Lyndhurst Ter- race, Central, Hang Kong, Tel-	d/17. Telesc. 8-4013. U.S.A.: Sandy O Hora, Internation of Herald Triburn And American
term capetel goin tou advantage. Con- test or write Jennes G, Heath Inc., 4100 Bildeds, Fort Worth, Texa. Phone 817-7246102. Other Bulsiness IN CANADA. Start and run your own business in Canada From your jecthan, Detabu STAR, Bax 111969, 8900 Augsburg, Germany.	+ 240 sq.m. aportment, new.	CONCORDE 5 E. Combon. 26038.89. Room, comfort, private showe. phone. Doby/monthly role.	him. Salary will be agreed upon at inter- view. All other expenses will be pack. Please write with C.V. to P.O. Box 659. Jeddah, Saudi Arabia, Atm. Mr. Nabil.	G.E. INTERIAL rectors excellent brin- gual secretaries for temporary & per- manent postores. Encyclish mother torgue welcomed. 39 Orange Encyclis. Pars 8th. 1et 225 93 42 or 225 59 25.			 BELGRUM & LIDIENIBOURG: Arthur Mozarer, & Rue Louis Hy- norm, 1060 Brussels, TeL: 3421839, Telesc 23922 AMOL GERMANY: For subscriptions contract the Parts office, For col- worting contect: Heid Jung or Korin Chill, LHT, Grosse E- dwinhams: Sroza, 43, D. 6000 Frankfurt/Main, TeL: 283678, Tides 416721, HTD, GREECE & CYMELS: J.C. Rennes- son, Findarou 26, Athena, TeL: 3618397/3602421, Telesz, 214227 DSCE CR. ITALY: Antonio Sambrotte, 55 Vio defin Mercade, D0187 Rona, TeL: 6793437, Telesc 610161, NEDIBERLANDE: Arabid Testing/ Allows Grim, Fref, Tubatroot 17, 1018 G2 Anthendon, TeL: 6720- 263815, Telesc 13333. PORTINGAL: Sita Anthony 32 Run dos Jonatos Vardes, Liston, TeL: 672793 & 602544. 	HONG KONG: C. Chestry & Asso- ciates Ltd., 703 Car Po Commer- cial Building, 18 Lyndhwst Ter- rozz, Centrol, Hong Kong, Tel- 5,420, 706 Tellext, 53079 CCALHX.	017. Teles: 8-4013. U.S.A.: Sondy O Horo, Internation of Heroid Tribune, 444 Mode. F Ave., New York 10022. It 212-7523890.

